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APPENDIX I.

[Vide answer to starred question No. 367 asked by Sri S. M. Annamalai at the meeting of the Legislative Assembly held on 18th February 1961, page 14 supra.]

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS OF THE FERTILIZER DISTRIBUTION ENQUIRY COMMITTEE.

GENERAL.

1. The consumption of nitrogenous fertilizers in the country has gone up very rapidly from 2.82 lakh tons in 1951-52 to 11 lakh tons in 1959-60 in terms of sulphate of ammonia. It has been planned to increase this consumption to fifty lakh tons in 1965-66. Similarly the consumption of phosphatic fertilizers has gone up from 6,888 tons in 1951 to 38,887 tons in 1959 and is expected to rise to four lakh tons in 1965-66 in terms of $P_2 O_5$ (1.19 to 1.21 and 8.53).

2. In the many pronged attack to increase rapidly the agricultural production, the fertilizers occupy a pivotal position. The large increase in consumption programmed for the Third Five-Year Plan cannot be attained unless (a) the prices of fertilizers and agricultural produce are so related that it is profitable for the farmer to use the fertilizer; (b) the arrangements for distribution, including stocking and sales are orderly and adequate; (c) sales promotion is vigorously pursued by the fertilizer distributors and is actively supported by the extension work for teaching the farmers and (d) the required quantities of fertilizers are made available both from indigenous production as well as from imports so that the consumption is steadily stepped up year after year as it would not be possible to create a very large demand all of a sudden. It has also to be recognized that so long as the shortage of fertilizers is acute, the extension and sales promotion agencies may not feel called upon to put forth their best efforts. (8.52, 8.53)

3. There is at present an acute shortage of nitrogenous fertilizers, but the supply of phosphates exceeds the demand. The country has, however, to prepare for the situation of more plentiful supplies. (8.1)

4. The problems of distribution differ according to the consumption level attained and the organizational stage reached by the co-operative movement in the State. (8.2)

MIXTURES AND COMPLEX FERTILIZERS.

1. The use of fertilizers in mixed form should be encouraged to promote balanced fertilization and assist in stretching the limited supplies of nitrogen over large areas. (1.9)

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2. The use of balanced fertilizers should be promoted by assisting the farmer to buy mixtures suited to his soil and crops and also ensuring reasonable prices for mixtures. (5-3, 5.4)

3. The use of mixtures should be extended through suitable assurances to mixing firms and mixture manufacturers. (5-5)

4. The mixtures may be marketed in granulated form to safeguard the farmer against fraud and adulteration. (5-3, 5.4)

5. To protect the farmers, all States should fix the composition of mixtures in conformity with the established fertilizer recommendations. These recommendations should be reviewed annually. (5-6)

6. Crop requirements in any State can be supplied adequately with the maximum of six grades of mixtures including the complex fertilizers. (6-7)

7. Since farmers generally do not know how to make the best use of mixed or complex fertilizers, it will require careful education to acquaint them with this type of fertilizers. (6-6)

8. The first priority for liquid fertilizer should be for use in the manufacture of mixed fertilizers. (6-14)

9. The use of liquid fertilizer on small farms is a problem which must be studied. (6-16)

10. As a general practice it is not advisable to mix micro-nutrients with fertilizers. It is advisable that micro-nutrient elements be applied only on the recommendation of a qualified scientist. (6-22)

11. Since in the trade of mixtures opportunities for mal-practices are great and may not be easily detected by the farmers, it is essential to institute a good system of sampling and check at various stages. For this purpose it is necessary to appoint a sufficient number of inspectors and to see that they regularly draw a large number of samples and to ensure that analyses keep pace with the progress of checking. It is also desirable to entrust the compounding of mixtures to reliable and reputable firms and parties, who in order to maintain their reputation would not permit mal-practices to prevail either at their own end or of their agents. The grades of mixtures should be expressed in whole numbers. (8-34, 8-37)

12. To increase the consumption of mixtures the following methods are recommended :—

(a) The prices of mixtures should be reasonable.

(b) Nitrogenous fertilizers should be made available to the mixing firms at the pool price and in increasingly large quantities.

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(c) Loan facilities should be extended to the farmers for purchase of approved mixtures.

(d) Under specified conditions a rebate should be given to mixture manufacturers so as to reduce the cost of mixtures. A small profit may be made by Central Fertilizer Pool from the sale of nitrogenous fertilizers so as to finance the scheme of rebates on mixtures. (8-38, 8-45)

13. The price of mixtures should be fixed on a uniform basis taking into consideration and the unit costs of various fertilizer elements in the mixtures. So far as nitrogen is concerned the unit cost of organic and inorganic nitrogen should be based on the average cost of all nitrogenous fertilizers in current supply. The prices fixed should be periodically reviewed. (8-46 and 8-47)

CONTROL OF QUALITY, LICENSING AND REGISTRATION.

1. Regular drawal of samples for test analysis from straight fertilizers as well as mixtures at various stages in their marketing is the only effective instrument for enforcing the control over their quality. The number of samples so far taken and examined by the States is very low. (4-7)

2. The dealers' licensing fees should not be deterrent. The fees fixed for the issue of dealers' licences should be regarded as a means of regulation of trade and not as a measure for revenue collection. The Committee suggests a fee of rupees five for the issue of a retail dealer's licence and a fee of rupees fifty for the issue of wholesale dealer's licence, on an annual basis. As the Fertilizer (Control) Order is a Central Order and as the fees are approved by the Controller of Fertilizers there ought to be a measure of uniformity in their fixation throughout the country. (4-10 to 4-12).

3. The registration fee for mixtures should also be reasonable and uniform for the reasons stated above. (4-12)

4. As the fertilizer year now corresponds to the financial year, the licensing year should be the same as the financial year and the licences may be issued for three years at a time if the licensee so desires. (4-13).

5. The definition adopted for wholesalers and retailers should be uniform throughout the country and in accordance with the sense usually connoted. (4-9).

TRAINING OF SALES PERSONNEL.

1. As the farmers learn how to use fertilizers more effectively, distributors will need better trained men to sell these materials. To develop men with adequate qualifications, training courses should be planned and put into operation at an early date. (6-9)

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2. New developments in the fertilizer industry demand well-trained men and new procedures of distribution. In addition to the knowledge of salesmanship, a thorough and complete understanding of the fertilizers in the market and how they should be used by the farmer are necessary for the salesman. (6-24).

3. Fertilizer sales personnel should be given short training on fertilizers so that they may be able to advise farmers as to how, when and where to use the fertilizers. These courses may be organized by the Co-operative Departments with the help of Agricultural Extension staff. (8-20).

4. The research, extension and educational groups in the agricultural field must work diligently to develop information as to the value of various fertilizer materials and educate the farmer to use them economically through demonstrations carried out in their fields. (6-24, 8-21).

5. An understanding between the sales organization and extension and research groups can be best obtained by yearly joint meetings to discuss fertilizer problems which have arisen during the year. (6-25).

DISTRIBUTION.

(i) *Co-ordination of distribution.*

1. Only a single agency should co-ordinate distribution and allocate supplies of fertilizers to districts. In several States, besides the State Department of Agriculture, the Apex Co-operative Society also functions as a co-ordinating agency. If this work is done by one agency at the State level it will avoid duplication of work and staff and lead to an economy in expenditure. (3-3).

(ii) *Estimates of demand.*

2. Wherever the work relating to distribution of fertilizers is entrusted to a Co-operative Department, the State Agriculture Department and the District Agricultural Officers should be closely associated with the estimation of demand of fertilizers. (3-3).

3. Influential farmers and dealers in fertilizers at Taluk Headquarters should also be consulted while framing the estimates. The States should be encouraged to prepare a realistic estimate of demand. The Central Fertilizer Pool, while allocating the fertilizers to the States should take into consideration the past consumption as also the achievements in respect of increased production. (8-2 to 8-4).

(iii) *Despatch instructions.*

4. The States should be given, in the beginning of the year an indication of the likely allocation of fertilizer, quarter by quarter, so that they may be ready with despatch instructions sufficiently in advance of the commencement of the supplies. To

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enable this being done, release of foreign exchange should be secured sufficiently in advance and the orders should also be placed in time. (8.7).

(iv) *Stock returns and checking.*

5. Information about the stocks of fertilizers in the retail depots is at present not being regularly received and analysed. The stocking of bags in the depots is often unsatisfactory which makes physical verification difficult. It is essential that arrangements should be made for regular checking of the accounts as well as the stocks at the depots. (3.5).

(v) *Administrative charges.*

6. In most of the States, administration charges are included in the cost of distribution of fertilizers. In Madras and Bombay, administrative charges vary according to the cost of the fertilizer, the costlier the fertilizer the higher the charge. Since the cost of administration and transport by road are independent of the price of fertilizers, the Committee feels that there is little justification for linking administrative charges with the price of the fertilizers. (7.6).

7. The State Governments have been involved in the distribution of fertilizers because of the Central Fertilizer Pool and do not look upon fertilizer business as an opportunity to make profit. The cost of establishment at the State levels should be frequently reviewed and kept at the minimum. The Committee considers that the cost of administration charges should not ordinarily exceed rupee one per ton. (7.8).

(vi) *Cost of road transport.*

8. The cost of transport by road should be pooled at the States' level so that the fertilizer can be sold at a uniform price throughout the State irrespective of the distance of the fertilizer depot, and so that the tendency to sell fertilizer only at the railhead is discouraged. To simplify the operation of this freight-pool, it is suggested that from out of the controlled price a rebate may be allowed to retailers according to notified rates of transport for scheduled distances from the wholesale depot to the retail depots. Notified rates may be revised from time to time, but as a working basis the following rebates which operated in Maharashtra State may be considered :—

1. For 6 to 10 miles.—Rs. 0.50 per ton/mile.
2. For 11 to 20 miles.—Re. 0.37 per ton/mile.
3. For 21 and over miles.—Re. 0.25 per ton/mile.

It will facilitate the working of rebates if distances of retail deposits from the railhead are tabulated and communicated in advance to both the parties. Where the cost of ferrying fertilizers across rivers is high, a special rebate may be allowed for this purpose from the pooled transport cost. (7.12, 8.13).

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9. To reduce the incidence of road transport cost, arrangements should be developed for taking delivery of fertilizers in wagon-loads at the largest possible number of railway stations and particular in Taluk (Tehsil) and Mandi railheads. (7-13).

(vii) *Transport costs on hills.*

10. In hill areas where the fertilizer has to be transported by mules or even on head-loads the cost of transport is very high, such high transport cost is at present being subsidized in certain areas like Himachal Pradesh, Manipur and Tripura. These *ad hoc* arrangements need to be recognized as a regular feature to be financed by the Central Fertilizer Pool and extended to all States with similar tracts which are difficult of access. (7-14, 8-14).

11. To promote economy in the cost of transport in hilly areas, a progressive switch over to concentrated fertilizers may be planned. In areas where road transport is at present subsidized and in areas where it is contemplated to introduce this subsidy it may be restricted to concentrated high analysis fertilizers so as to transport a larger quantity of plant food at the same cost. (7-15).

(vii) *Shortage.*

12. Only a few States have furnished figures of shortages and spillage of fertilizers. In the Committee's view these are generally due either to pilferage or leakage in transit and handling, the former not being a significant factor. Leakage is largely due to use of hooks during loading and unloading. This damaging practice, it is hoped, will vanish when packaging is done in smaller bags of fifty kilograms. Since, however, certain shortages occur at present the Committee recommends a provision of Rs. 1-50 per ton. (7-23, 7-24).

(ix) *Sales tax on fertilizers.*

13. While it is recognized that sales tax is an important source of revenue to the States, its incidence in some States is as high as Rs. 20 per ton of sulphate of amounts. As both the Central and the State Governments are endeavouring to keep the cost of fertilizers down, it is recommended that the exemption of fertilizers from the sales tax may be considered by the States. (7-26, 7-27).

14. Certain commodities have been recognized as of special importance in inter-State trade or commerce under the Central Sales Tax Act, 1956. Since fertilizers, which are manufactured in a limited number of factories, are to be used, throughout the country the Committee considers that fertilizers should also be classed as goods of "special importance" in inter State trade and commerce. (7-28).

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(x) *Interest charges.*

15. In certain States interest on capital invested is added to the cost of distribution. The incidence of interest differs from State to State. The Committee considers that in the most unfavourable circumstances, fertilizers may have to be stored by the wholesalers for five to six months and by the retailers for two months. As the lifting of the stock from the wholesale godowns will be spread over, the period of incidence of interest should not be more than three months. Taking into account the period of two months, which at present lapses before the debit is raised against the State Governments, the Committee considers that if the Central Pool raises the debit after three months from the date of consignment, no interest charges need be provided for the period for which the stock remains with the wholesalers. Presumably it would be possible to meet this additional interest for one month from the present pool price structure of the Central Pool and if not, a suitable provision for one month may be made. As retail sales will be spread over, interest charges for not more than one month need be provided for the retailers. The Committee, therefore, recommends that—

The Central Pool may raise the debits for the value of the stocks supplied after three months from the date of consignment. The sale of fertilizers to the retailers should be made by the wholesalers on payment of value and a provision of rupees two may be made in the distribution charges on account of interest of capital employed at the retailers' end. (7-34 to 7-37).

(xi) *Commissions for distribution.*

16. The Apex distributing agents and the wholesale agents at present utilize most of the commission with the result the very little is left for the retail distributors who suffer from the lack of incentive to sell fertilizers. The wholesalers should be discouraged from undertaking retail sales. The Committee recommends that in order to provide adequate incentives to the retailers to enter into this business the rate of commission should be increased from the Apex level to the village level and these should be fixed by the State Governments taking the above factors into consideration (7-39, 7-12).

17. It is necessary to keep down the expenses of internal distribution by eliminating unnecessary intermediary functionaries. Only the Marketing Co-operative Society at the taluk level and the Primary Society at the village level have a real service to render in fertilizer distribution. If there is an Apex Co-ordinating agency at the State level, the State Government should only act as a channel of communication between the Apex agency and the Central Pool and undertake financial responsibility for the supply of fertilizers from the Central Pool to the State. (7-40, 8-94, 8-10).

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(xii) *Cost of distribution.*

18. On the whole, the Committee considers that it is possible to cover the cost of distribution within a margin of rupees thirty per ton for sulphate of ammonia. (7.43).

(xiii) *Supply on consignment basis.*

19. The system of supplying fertilizers on consignment basis to the primary co-operative societies does not work well as the societies often fail to remit in time the sale proceeds to the State Governments and utilize them for their other business. Since the required supervision and check over the primary societies is not likely to be provided for some more time, the fertilizer may be supplied on a consignment basis only to the wholesalers and the retailers should be asked to lift the stocks after payment. (8.12).

(xiv) *Fertilizer loans.*

20. The farmers should be afforded sufficient credit facilities for the purchase of fertilizers. The loans should be given in kind (not in cash) and rate of interest should be reasonable. (8.2, 8.8, 2.3).

(xv) *Working hours of depots.*

21. The co-operative depots should remain open for the sale of fertilizers at hours convenient to farmers so that they are enabled to purchase fertilizers when they are free from farm work. (8.7).

(xvi) *Storage and warehousing.*

22. As the demand for fertilizer is seasonal, it would be cheaper if different commodities required by the cultivators are stored in some godown. The Committee, therefore, recommends that the setting up of separate depots exclusively for dealing in fertilizers should be discouraged with a view to lowering the cost of their distribution. (7.21).

23. The present difficulty about the storage of fertilizers especially in the off-season is likely to diminish when the new factories are set up during the Third Plan. In the meantime the congestion in the depots can be minimized by instituting a system of off-season sales rebates so that farmers are induced to take delivery of the fertilizers during the lean months. In this manner the farmer will also be certain of having the fertilizers in time for their needs. (8.27 to 8.29.)

24. The warehouses and godowns should be so constructed as to suit the local climate conditions and also with a view to doing away with avoidable handling. It should be possible to store in the same godowns, besides fertilizers, other agricultural requirements and commodities so that storage expenses will be reduced and the cultivator will be able to secure most of his requirements at one and the same place. (8.30, 8.31).

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(xvii) *Phosphates promotion.*

25. The sales of superphosphates are poor in those States where there is a monopoly of distribution by the Government or co-operative societies. To increase its consumption, it is suggested that the State Governments may encourage the superphosphate manufacturers to build up their sales organizations and to develop sales by providing incentives. These organizations can also assist in selling fertilizer mixtures. The manufacturers would also utilize the co-operative societies for the purpose, as they are already doing in some cases. (8.16.)

26. The progress of consumption of phosphatic fertilizers is much behind the schedule envisaged in the Second Plan. In view of the urgent need to promote balanced fertilization as well as to reduce the prevalent high costs of Indian-made superphosphates, the Committee recommends that a subsidy of twenty-five per cent be granted on all purchases of superphosphate and that this be operated in the form of rebate granted to manufacturers on the lines indicated for the mixtures and that the cost of this subsidy be borne by the Central Fertilizer Pool. (8.48, 8.49.)

(xviii) *Cheaper fertilizers.*

27. Fertilizers should be supplied to farmers at as low a price as possible. When the cost of fertilizers is low, the net profit to the farmer is higher which gives him an inducement to use more fertilizer and raise agricultural production. (1.7.)

28. The present prices of nitrogenous fertilizers in India are very high as compared with the prices ruling in other countries. The prices of foodgrains also do not justify a high level of prices for fertilizers. The Committee considers that the prices of nitrogenous fertilizers now ruling are susceptible to substantial reduction without in any way impairing the financial position of the pool and its ability to take the tasks of subsidy recommended for mixtures and superphosphates. (8.50 to 8.52.)

29. The present prices of muriate of potash and sulphate of potash are also very high and require a substantial reduction of grounds of equity and promoting their freer use. (8.52.)

(xix) *Marketing of new brands.*

30. To promote the use of new or comparatively less popular fertilizers it is considered expedient to allow a larger commission than admissible on the basis of equivalent nutrient value of the popular brand. (7.42.)

31. Many of these societies are reluctant to undertake the sale of new and comparatively less popular fertilizers. It should be made clear to the co-operative societies that they cannot pick and choose the fertilizer which they wish to sell and that they must market the entire range of fertilizers. (8.15.)

32. To push up the sales of fertilizers the salesmen may be paid bonus (say at 20 nP. per bag of two cwt.) in addition to their pay or honorarium provided they show improvement over past per-

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formance. The Central Fertilizer Pool may also consider a prize scheme for encouraging sales of unpopular or new fertilizers and mixtures. These prizes may be awarded through the State Government to the primary societies which have shown good progress. (8.18, 8.19.)

(xx) *Marketing Corporation.*

33. The present organization of the Central Fertilizer Pool is considered inadequate. In the next few years greatly increased quantities of fertilizers are to be procured and distributed. If the Committee's recommendations regarding subsidy on mixtures and phosphatic fertilizers are to be implemented, increased responsibility will rest upon the pool. The pool will also have to undertake propaganda work for promoting the use of new fertilizers. The Committee recommends that the duties now performed by the Central Fertilizer Pool and the anticipated additional responsibilities may be entrusted to an organization which may be called the Central Fertilizer Marketing Corporation. This Corporation should enjoy a liberal measure of autonomy while working under the direction and superintendence of the Department of Agriculture. (8.53, 8.54.)

34. A committee of experts may be constituted to draft a constitution of the proposed Corporation after studying the methods adopted for ensuring effective marketing and distribution of fertilizers in advanced countries, such as United States of America, Western Europe and Japan. (8.55.)

NOTE.—The references in brackets below each paragraph are to the Chapter and paragraph of the main report.

APPENDIX II.

[Vide answer to clause (2) of the starred question No. 371 asked by Sri Vedarathnam at the meeting of the Legislative Assembly held on 18th February 1961 page 19 supra.]

The number and nature of samples taken from the Co-operative Societies in the State during the year 1959, are furnished below :—

Nature of samples.	Number of samples taken.	Number adulterated.	Punishment awarded.
(1)	(2)	(3)	(4)
Gingelly oil ..	13	Nil	..
Milk	15	2	One case fined Rs. 60. Another case fined Rs. 1,000.
Ghee	3	Nil	..
Butter	2	2	The cases are pending.
Tea dust	3	1	The case is pending.
Coconut oil ..	3	Nil	..
Groundnut oil..	2	Nil	..
Coffee powder ..	1	Nil	..

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Nature of samples	Number of samples taken.	Number adulterated.	Punishment awarded.
(1)	(2)	(3)	(4)
Turmeric ..	2	2	1 case fined Rs. 50 ; one case pending.
Toor dhall ..	2	Nil	..
Maida ..	1	Nil	..
Sugar.. ..	1	Nil	..

APPENDIX III.

[Vide answer to clause (b) of the starred question No. 381 asked by Sri A. A. Rasheed at the meeting of the Legislative Assembly held on 18th February 1961, page 30 supra.]

The Madras Co-operative Milk Supply Union which is one of the agencies supplying fresh milk in the City has taken the following steps to increase the production and supply of milk to the consumers :—

(1) The Union has organized new milk supply societies in Wallajabad area in Chingleput district and these societies are supplying milk to the Union at present.

(2) The Union has been issuing loans to its affiliated Milk Supply Societies in the City with a view to augmenting the production of milk.

(3) Loans have been issued to Thiruporur and Manamithi Societies in Lattice Bridge Covelong line and these societies are now supplying milk.

(4) The Madras Co-operative Milk Supply Union has increased the purchase prices of milk in regard to village societies and societies situated in belt-areas.

(5) New societies are being organized round about Singaperumalkoil where the Union is installing a chilling plant.

As a result of the steps taken by the Union, the daily average production of milk in October 1960 has increased to 18,303 lb. from 16,148 lb. in September 1960. The production is expected to increase further in the coming months.

2. With a view to increasing the production of milk the Madras Milk Supply Union has been advised to arrange to issue more loans to the affiliated societies and also to see that as far as possible the loans are not disbursed in cash but the animals are purchased with the aid of one of the Directors of the Union and one or two representatives of the feeder societies and supplied to the members.

3. With a view to reorganizing the milk, supply position in the City of Madras, a scheme known as the " Madras Dairy and Milk Project " had been drawn up and included in the Second Five-Year Plan. A Milk Colony at Madhavaram village has been set up. This Colony after its completion will provided accommodation

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for 4,000 animals in eight units. The first of the eight units for 500 animals commenced functioning on 4th November 1959. An approximate quantity of about 5,500 lb. of milk per day is being collected from this Unit and transported to the Government Milk Factory for processing and sale to the public through the kiosks located in different parts of the City. Three more Units with accommodation for 1,500 milch animals are now ready for occupation and milch animals are now being admitted. These three additional units are expected to produce nearly 18,000 lb. of milk which will go a long way to augment the milk supply in the City. After the completion of the Colony in full, an approximate quantity of about 50,000 lb. is likely to be collected.

4. Besides the production of milk in the Colony, arrangements are now being made to organize a large number of milk supply societies in the rural areas of Chingleput, North Arcot and South Arcot districts so that the surplus milk produced in those areas could be transported to the City in good condition. Provision has been made to give financial help to the member-producers in purchasing milch animals. Steps are also being taken to give proper treatment to the raw milk at the production end and transport the same in vans in good condition to the City. It is estimated that nearly three-fourths of the milk requirements of the City could be drawn from the milk pockets located in the adjoining districts of Madras City. Besides the above, it is also planned to tap milk from potential milk production areas in Erode and Coimbatore and transport to the City utilising rail tankers, for supply in the City under the Madras Dairy and Milk Project after processing in the Milk Colony at Madhavaram. The New Zealand Government have given a generous aid of £ 215,000 (Rs. 29 lakhs) to meet the foreign exchange involved in the purchase of all the Dairy machinery and equipment needed from foreign countries.

APPENDIX IV.

[Vide item IV on page 34 supra.]

REPORT OF THE SELECT COMMITTEE ON THE MADRAS STATE HOUSING BOARD BILL, 1960 (L.A. BILL No. 31 OF 1960).

To

THE HON. THE LEGISLATIVE ASSEMBLY,

MADRAS.

The Select Committee appointed to consider the Madras State Housing Board Bill, 1960 (L.A. Bill No. 31 of 1960), has the honour to make the following report.

2. The Bill was published in English in Part IV-A of the *Fort. St. George Gazette Extraordinary*, dated the 22nd August 1960, and in Tamil in the *Fort St. George Gazette*, dated the 12th October 1960.

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3. The Select Committee was appointed by a resolution of the Assembly, dated the 9th September 1960. Seven members of the Legislative Council were also invited to serve on the Select Committee.

4. The Select Committee met in the Committee Room, Legislators' Hostel (Old), Government Estate, Mount Road, Madras, on the 5th, 6th and 7th October 1960 and also in the Member's Lounge Room, Fort St. George, Madras, on the 18th and 20th January 1961.

5. The Select Committee subjected the Bill to a thorough scrutiny and as a result has made several changes. The important changes are noted below :—

Clause 4.

This clause provides for the constitution of the Housing Board. The Committee decided to include the Member of the Board of Revenue in-charge of Land Revenue also as a Member, ex-officio of the Housing Board. It was also decided that in the case of the Member of the Board of Revenue, the Chief Engineer, Public Works Department (Buildings), and the Secretary to Government in the Finance Department, they may be enabled to depute any officer subordinate to them to attend the meetings of the Housing Board. The clause has been amended accordingly.

Clause 18.

Sub-clause (2) of this clause provides that any officer or servant of the Board, who is aggrieved by an order passed under sub-section (1) may, within two months from the date of such order, or if such order is communicated to him, within one month from the date of receipt by him of such order, appeal to the Board or the Government, as the case may be. The Committee decided to amend the clause providing for an appeal period of two months from the date of receipt by the officer or servant of such order. The sub-clause has been amended accordingly.

Clause 21.

Sub-clause (1) of the clause provides that the Board shall establish a Housing Unit for the City of Madras. The Committee decided that provision should also be made for establishing Housing Units also for the area comprising places situated within 25 miles of the limits of the City of Madras. The sub-clause has been amended accordingly.

Clause 22.

Sub-clause (2) of this clause provided that the Chairman may delegate to any officer of the Board any of his powers, duties or functions with certain exceptions, provided that he shall not delegate his powers under section 16 to make appointments to posts the maximum monthly salary of which exceeded Rs. 250. The Committee decided that this should be limited to posts the maximum monthly salary of which exceeded Rs. 100. The sub-clause has been amended accordingly.

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Clause 28.

Sub-clause (1) of this clause provides that the Board shall have power to incur expenditure exceeding fifty thousand rupees on any single work or scheme, without prescribing an upper limit. But in the proviso, it is stated that the Board shall incur expenditure exceeding ten lakhs of rupees with the previous approval of the Government. The Committee felt that the sub-clause and the proviso could be suitably clubbed and the clause recast. The clause has been recast accordingly.

Clause 35.

This clause deals with the power of the Board to undertake housing or improvement schemes and to incur expenditure therefor. It was decided to add a new sub-clause to the effect, that the Board may, on such terms and conditions as may be agreed upon, take over for execution any housing or improvement scheme undertaken by a local authority and the Board shall execute such scheme as it has been provided for by the Act. A new sub-clause to this effect has been added to the clause.

Clause 51.

This clause deals with the notice of proposed acquisition of land. The Committee expressed the view that sub-clause (3) which deals with the issue of notice regarding acquisition of land and recovery of betterment levy could be deleted in view of the provisions contained in clauses 70 and 74, which deal with the acquisition of land and the assessment of betterment fee and notice to persons liable to such fee, respectively. It was also decided to provide for the filing of objections within 30 days from the service of notice. The clause has been amended accordingly and necessary consequential changes also effected.

Clause 54.

This clause deals with the publication of sanction of housing or improvement schemes. The Committee decided to provide an appeal for persons aggrieved by the decision of the Board sanctioning such scheme within 30 days from the date of last publication in the gazette of the said scheme. A sub-clause has been added accordingly as sub-clause (3) and the existing sub-clause (3) suitably recast and renumbered as sub-clause (4).

Clause 66.

This clause deals with the duties of the Board, other than those dealt with in the foregoing clauses. The Committee decided to incorporate a suitable provision under this clause to enable the Board to manufacture and sell building materials. Sub-clause (4) has been amended to this effect.

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Clause 71.

This clause deals with the power of the Board to purchase or lease by agreement and provides that the Board shall not enter into such agreement without the previous approval of the Government, if the value of such land or interest exceed ten thousand rupees. The Committee decided that the limit should be raised to fifty thousand rupees. The clause has been amended accordingly.

Clause 82.

This clause provided that the award of the Tribunal under the Land Acquisition Act, 1894 (Central Act I of 1894) shall be final. The Committee decided that the clause might be suitably modified to make it specific that the award of the Tribunal shall be final and shall not be called in question in any court of law. The clause has been amended accordingly.

Clause 91.

The clause deals with the power of the Board to borrow. The Committee decided that the Board might be enabled to enter into financial arrangements with banks or financing institutions like the Insurance Corporation. The Committee also decided that provisions should be made for the lending of money by the Board. Necessary provisions have since been made in this regard under this clause.

Clause 93.

The clause deals with the form, signature, exchange, transfer and effect of debenture whenever money is borrowed by the Board. Sub-clause (2) of the clause provided that all debentures shall be signed by the Chairman and the Secretary. The Committee was of the view that this sub-clause might be so amended as to provide that the debentures might be signed by the Chairman and either by the Secretary or by one of the ex-officio members of the Board. The sub-clause has been amended accordingly.

Clause 106.

The clause provides for the approval of Government to estimates sanctioned by the Board. Sub-clause (1) provides that the Government might either approve, disallow or return for amendment every estimate within two months after the receipt of the same by them. The Committee was of the view that three months time should be provided. The sub-clause has been amended to this effect.

New clause 134.

The Committee decided to insert a new clause prescribing the duties of Police officers. A new clause 134 has therefore been inserted after clause 133 and clauses 134 and 135 renumbered as clauses 135 and 136, consequentially.

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Clause 136 (clause 137 as renumbered).

The clause deals with indemnity to Board, etc. The Committee decided to make provision for the protection of action taken in good faith. The clause has therefore been amended and renumbered as clause 137. Clauses 137 to 161 have also been renumbered as clauses 138 to 162.

6. All consequential changes have been made and the clauses have also been renumbered whenever necessary.

7. A copy of the Bill as amended and approved by the Select Committee is appended.

8. The Committee considers that the changes made by it are not of such important character as to require the republication of the Bill.

FORT ST. GEORGE, MADRAS,
21st January 1961.

R. VENKATARAMAN,
Chairman.

APPENDIX.

The Madras State Housing Board Bill, 1960 (L.A Bill No. 31 of 1960), as amended by the Select Committee.

[Note :—The changes made are sidelined or underlined and the positions omitted are indicated by dots.]

A Bill to provided for the execution of housing and improvement schemes, for the establishment of a State Housing Board and for certain other matters.

WHEREAS it is expedient to provide for the execution of housing and improvement schemes, for the establishment of a State Housing Board and for certain other matters hereinafter appearing; BE it enacted in the Twelfth Year of the Republic of India as follows :—

CHAPTER I.

PRELIMINARY.

1. *Short title, extent and commencement.*—(1) This Act may be called the Madras State Housing Board Act, 1961.

(2) It extends to the whole of the State of Madras.

(3) It shall come into force on such date as the Government may, by notification, appoint; and different dates may be appointed for different areas.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(1) “betterment fee” means the fee declared to be payable under section 73 in respect of an increase in the value of land resulting from the execution of a housing or improvement scheme;

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(2) " Board " means the Madras State Housing Board constituted under section 3;

(3) " Board premises " means any premises belonging to, or vesting in, the Board or taken on lease by the Board or any premises which is entrusted to, or in the possession or control of, the Board for the purposes of this Act;

(4) " Chairman " means the Chairman of the Board;

(5) " Committee " means any committee appointed under section 25;

(6) " competent authority " means any person or authority authorized by the Government, by notification, to perform the functions of the competent authority under Chapter XI for such area as may be specified in the notification;

(7) " Government " means the State Government;

(8) " Housing Board Engineer " means the Housing Board Engineer appointed under section 16;

(9) " housing or improvement scheme " means a scheme framed under this Act and includes any one of the types of Schemes referred to in section 40;

(10) " land " includes benefits to arise out of land, and things attached to the earth or permanently fastened to anything attached to the earth;

(11) " member " means the the member of the Board;

(12) " premises " means any land or building or part of a building and includes—

(i) the garden, grounds and out-houses, if any, appertaining to such building or part of a building; and

(ii) any fittings affixed to such building or part of a building for the more beneficial enjoyment thereof;

(13) " regulations " means the regulations made under this Act;

(14) " rules " means the rules made under this Act;

(15) " Secretary " means the Secretary appointed under section 16;

(16) " Tribunal " means the Tribunal constituted under section 79;

(17) " year " means the financial year.

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CHAPTER II.

CONSTITUTION OF THE BOARD.

3. *Creation and incorporation of the Board.*—The duty of carrying out the provisions of this Act shall, subject to the restrictions, conditions and limitations therein contained, be vested in a Board to be called “The Madras State Housing Board”; and such Board shall be a body corporate and have perpetual succession and a common seal, and shall by the said name sue and be sued.

4. *Constitution of the Board.*—(1) The Board shall consist of a Chairman, appointed by the Government, who possesses such qualifications as may be prescribed, and of the following members, namely :—

(a) four non-official members, appointed by the Government, one of whom shall be an engineer or architect, who possesses experience in housing and who is not employed by the Government, or a local authority or a corporation owned or controlled by the Government;

(b) The Member of the Board of Revenue in charge of Land Revenue, *ex-officio*;

(c) the Chief Engineer, Public Works Department, in charge of buildings, *ex-officio*;

(d) the Joint Director of Town-Planning, *ex-officio*;

(e) the Inspector of Municipal Councils and Local Boards, *ex-officio*;

(f) the Commissioner of Labour, *ex-officio*;

(g) the Commissioner, Corporation of Madras, *ex-officio*;

(h) the Registrar of Co-operative Societies, *ex-officio*;

(i) the Director of Harijan Welfare, *ex-officio*;

(j) the Director of Public Health, *ex-officio*;

(k) the Secretary to the Government in the Finance Department, *ex-officio*;

(l) the Superintending Engineer, Rural Housing Cell, *ex-officio*;

(m) an officer, nominated by the Development Commissioner, who is in charge of Rural Development and having jurisdiction throughout the State, *ex-officio*.

(2) If for any reason the officer referred to in clause (b), (c) or (k) of sub-section (1) is unable to attend any meeting of the Board, he may depute any officer subordinate to him to attend such meeting. The officer so deputed shall have the right to take part in the discussions of the Board, but shall not have the right to vote.

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5. *Appointment of the Chairman and the members to be notified.*—The appointment of the Chairman and the non-official members shall be notified in the *Fort St. George Gazette*.

6. *Term of office of the Chairman and non-official members.*—

(1) The Chairman and the non-official members shall hold office for a period of three years from the date of their appointment.

(2) The Chairman and the non-official members shall be eligible for re-appointment.

(3) Any non-official member may resign his office by giving notice in writing to the Government but he shall continue in office until his resignation is accepted by the Government.

7. *Disqualifications for appointment as a member of the Board.*—(1) A person shall be disqualified for being appointed as, and for being a member of the Board, if he—

(a) has been convicted by a criminal court for an offence involving moral turpitude, unless either such conviction has been set aside or in respect of the offence committed he has been pardoned;

(b) is an undischarged insolvent;

(c) is of unsound mind;

(d) is an officer or servant under the Board;

(e) has directly or indirectly, by himself or by any partner, employer or employee, any share or interest in any contract or employment with, by or on behalf of, the Board; or

(f) is a director or a secretary, manager or other officer of any incorporated company which has any share or interest in any contract or employment with, by or on behalf of, the Board.

(2) A person shall not, however, be disqualified under clause (e) or clause (f) of sub-section (1) or be deemed to have any share or interest in any contract or employment within the meaning of those clauses, by reason only of his, or the incorporated company of which he is a director, secretary, manager or other officer, having a share or interest in—

(i) any sale, purchase, lease or exchange of immovable property or any agreement for the same;

(ii) any agreement for the loan of money or any security for the payment of money only;

(iii) any newspaper in which any advertisement relating to the affairs of the Board is inserted;

(iv) the occasional sale to the Board, to a value not exceeding two thousand rupees in any one year, or any article in which he or the incorporated company regularly trades.

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(3) A person shall not also be disqualified under clause (e) or clause (f) of sub-section (1) or be deemed to have any share or interest in any incorporated company which has any share or interest in any contract or employment with, by or on behalf of, the Board, by reason only of his being a shareholder of such company :

Provided that such person discloses to the Government the nature and extent of the shares held by him.

Explanation.—For the purposes of clause (d) of sub-section (1), the Chairman shall not be deemed to be an officer or servant under the Board.

8. *Chairman to be whole-time officer.*—(1) The Chairman shall be a whole-time officer of the Board, and shall not undertake any work unconnected with his office without the sanction of the Government.

(2) He shall be paid such salary and allowances as may be fixed by the Government.

9. *Leave of absence for the Chairman and appointment of an acting Chairman.*—(1) The Government may, from time to time grant to the Chairman such leave as may be admissible under the rules.

(2) Whenever there is a temporary vacancy in the office of the Chairman, the Government may appoint a person to act as Chairman during the period of such vacancy and shall pay to such person such salary and allowances as may be fixed by them. The person so appointed shall be deemed for all purposes of this Act to be the Chairman.

10. *Removal of the Chairman and other non-official members.*—

(1) If at any time it appears to the Government that the Chairman has shown himself to be unsuitable for his office, or has been guilty of any misconduct or neglect which renders his removal expedient, they may, by notification, remove the Chairman from office.

(2) The Government may, by notification, remove any non-official member from office—

(a) if he has, without the permission of the Board, been absent from the meetings of the Board for any period exceeding three consecutive months; or

(b) if he has been absent from the meetings of the Board for any period exceeding that permitted under sub-section (1) of section 11; or

(c) if he, being a legal practitioner, acts or appears on behalf of any person other than the Board in any civil, criminal or other legal proceedings in which the Board is interested, either as a party or otherwise; or

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(d) if he has, in the opinion of the Government, contravened the provisions of section 26; or

(e) if he, in the opinion of the Government, is unsuitable or has become incapable of acting as a member or has so abused his position as a member as to render his continuance as such member detrimental to the public interest.

(3) A non-official member removed under any of the provisions of clauses (a) to (c) of sub-section (2) shall be disqualified for appointment as a member for a period of three years from the date of his removal unless otherwise ordered by the Government.

(4) A non-official member removed under clause (e) of sub-section (2) shall not be eligible for re-appointment until he is declared by an order of the Government to be no longer ineligible.

11. *Filling up casual vacancies.*—(1) The Board may permit any non-official member to absent himself from its meetings for a period not exceeding six months.

(2) The casual vacancy in the office of a member who is permitted to be absent under sub-section (1) may be filled by the Government and any person appointed to fill such vacancy shall enter upon office forthwith but shall hold office only so long as the vacancy lasts :

Provided that the person so appointed is eligible for being appointed as a member to the office of the absent member in accordance with the provisions of section 4 and is not disqualified under section 7.

CHAPTER III.

TRANSFER OF THE ASSETS AND LIABILITIES OF THE CITY IMPROVEMENT TRUST TO THE BOARD.

12. *Transfer of assets and liabilities of the City Improvement Trust to the Board.*—(1) On the appointed day the Board of Trustees for the Improvement of the City of Madras (hereinafter referred to as the City Improvement Trust) shall stand dissolved and all its assets and liabilities shall stand transferred to and vested in the Board.

(2) The assets of the City Improvement Trust shall be deemed to include all rights and powers and all property, whether movable or immovable, belonging to or vested in the City Improvement Trust including in particular cash balances, reserve funds, investments, deposits and all other interests and rights in or arising out of such property as may be in the possession of the City Improvement Trust and all books of account or documents kept or maintained by the City Improvement Trust; and the liabilities of the City Improvement Trust shall be deemed to include all debts, liabilities and obligations of whatever kind then existing and pertaining to the City Improvement Trust.

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Explanation.—In this section and in sections 13, 14 and 15, “appointed day” means the date on which this Act comes into force in the City of Madras.

13. *Transfer of provident, superannuation and other like funds to the Board.*—(1) Where the City Improvement Trust has established a provident fund or superannuation fund or any other like fund for the benefit of its employees and constituted a trust in respect thereof (hereinafter referred to as the existing trust), the moneys standing to the credit of any such fund on the appointed day, together with any other assets belonging to such fund, shall, subject to the provisions of sub-section (2), stand transferred to and vested in the Board on the appointed day free from any such trust.

(2) The Board shall, as soon as may be after the appointed day, constitute in respect of the moneys and other assets which are transferred to and vested in it under sub-section (1), one or more trusts having objects as similar to the objects of the existing trusts as may be practicable.

(3) Where all the moneys and other assets belonging to the existing trust are transferred to and vested in the Board under sub-section (1), the trustees of such trust, shall, as from the appointed day, be discharged from the trust, except as respects things done or omitted to be done before the appointed day.

14. *Effect of vesting of assets and liabilities of the City Improvement Trust.*—(1) Unless otherwise expressly provided by or under this Act, all contracts, agreements and other instruments of whatever nature subsisting or having effect immediately before the appointed day and to which the City Improvement Trust is a party or which are in favour of the City Improvement Trust shall be of as full force and effect against or in favour of the Board, as the case may be, and may be enforced or acted upon as fully and effectually as if, instead of the City Improvement Trust, the Board had been a party thereto or as if they had been entered into or issued in favour of the Board.

(2) If on the appointed day any suit, appeal or other legal proceeding of whatever nature by or against the City Improvement Trust is pending, then, it shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer to the Board of the assets and liabilities of the City Improvement Trust or of anything done under this Act, but the suit, appeal or other legal proceeding may be continued, prosecuted and enforced by or against the Board.

Explanation.—For the purposes of this sub-section ‘legal proceeding’ includes any proceeding under the Land Acquisition Act, 1894 (Central Act I of 1894).

15. *Transfer of service of existing employees of the City Improvement Trust to the Board.*—(1) Every wholetime employee of the City Improvement Trust shall, on and from the appointed day, become an employee of the Board, and shall hold his office

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therein by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to gratuity, if any, and other matters as he would have held the same on the appointed day if this Act had not been passed, and shall continue to do so unless and until his remuneration, terms and conditions are duly altered by the Board.

(2) If any question arises as to whether any person was a whole-time employee of the City Improvement Trust immediately before the appointed day, the question shall be referred to the Government, whose decision shall be final.

(3) Notwithstanding anything contained in the Industrial Disputes Act, 1947 (Central Act XIV of 1947) or in any other law for the time being in force, the transfer of the services of any employee of the City Improvement Trust to the Board shall not entitle any such employee to any compensation under that Act or other law, and no such claim shall be entertained by any court, tribunal or other authority.

CHAPTER IV.

OFFICERS AND MEMBERS OF THE STAFF OF THE BOARD.

16. *Appointment of Secretary, Housing Board Engineer and other officers and servants of the Board.*—(1) The Board may appoint a Secretary, a Housing Board Engineer and such other officers and servants as it considers necessary for the efficient performance of its functions :

Provided that the appointment of the Secretary and the Housing Board Engineer shall be subject to the previous approval of the Government.

(2) Subject to the provisions of sub-section (1)—

(i) the Board may, with the previous approval of the Government, sanction the creation of, or appoint any person to any post the maximum monthly salary of which exceeds one thousand rupees;

(ii) the Board shall have power to create posts in its establishment, the maximum monthly salary of which does not exceed one thousand rupees and to appoint persons to such posts;

(iii) the Chairman may appoint any officer or servant whose maximum monthly salary does not exceed three hundred rupees :

Provided that in cases of emergency—

(a) the Chairman may appoint temporarily for a period not exceeding three months, such officers or servants as may, in his opinion, be required for the purposes of this Act and the employment of whom for any particular work has not been prohibited by any resolution of the Board; and

(b) every appointment made under clause (a) shall be reported by the Chairman to the Board at its next meeting.

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17. *Conditions of service of officers and servants of the Board.*—The remuneration and other conditions of service of the Secretary, Housing Board Engineer and other officers and servants of the Board shall be such as may be prescribed by regulations.

18. *Promotions and punishment of the officers and servants of the Board.*—(1) Subject to any regulations made under section 19, the power of making promotions to posts in the service of the Board, of granting leave to officers and servants holding such posts, of censuring, fining, withholding promotions from, reducing, suspending, removing or dismissing such officers and servants for any breach of departmental rules or discipline or for carelessness, unfitness, neglect of duty, or misconduct, and of discharging such officers and servants from the service of the Board for any other sufficient reason, shall be exercised by the following authorities, namely :—

(a) by the Chairman in the case of posts, the maximum monthly salary of which does not exceed three hundred rupees and the servants holding such posts;

(b) by the Board, in the case of posts, the maximum monthly salary of which exceeds three hundred rupees but does not exceed one thousand rupees and officers and servants holding such posts;

(c) by the Board, subject to the previous approval of the Government, in the case of posts the maximum monthly salary of which exceeds one thousand rupees and officers and servants holding such posts :

Provided that a servant of the Central or State Government or of a local authority, whose services have been lent to the Board, shall not be punished except by an authority which would have been competent to do so if his services had not been so lent, but the Chairman or the Board, as the case may be, shall be entitled to make an inquiry and to report against such servant to such authority.

(2) Any officer or servant of the Board who is aggrieved by an order passed under sub-section (1) may, within two months from the date of receipt by him of such order, appeal—

(a) to the Board, if the order was passed by the Chairman; and

(b) to the Government, if the order was passed by the Board.

19. *Service regulations.*—Subject to the provisions of this Act, the Board shall, with the previous approval of the Government, make regulations—

(a) fixing the salary and allowances of the Secretary, Housing Board Engineer and other officers and servants of the Board;

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(b) fixing the amount and nature of security to be furnished by any officer or servant from whom it may be deemed expedient to require security;

(c) for regulating the grant of leave of absence, leave allowances, and acting allowances to the officers and servants of the Board;

Provided that a servant of the Central or State Government employed as an officer or servant of the Board shall not be entitled to leave or leave allowances, otherwise than as laid down in the conditions of his service under the Central or State Government relating to transfer to foreign service;

(d) for establishing and maintaining a provident fund, for compelling all or any of the officers or servants other than servants of the Central or State Government in respect of whom a contribution is paid under section 150 to subscribe to the fund at such rates and subject to such conditions as may be prescribed, and for supplementing such subscriptions out of the funds of the Board;

(e) for determining the conditions under which the officers and servants or any of them shall on retirement receive gratuities or compassionate allowances and the amount of such gratuities and compassionate allowances.

20. *Maintaining schedule of establishment.*—The Board shall prepare and maintain a schedule of establishment before the 1st of May of every year, showing the number, designations and grades of the officers and servants (other than the employees who are paid by the day or whose pay is charged to temporary work), whom it considers necessary and proper to employ for the purposes of this Act, and also the amount and the nature of the salary, fees and allowances to be paid to each such officer or servant, contributions payable under section 150 in respect of each officer and servant, as on the 1st of April of the same year.

21. *Housing Units.*—(1) The Board shall establish a Housing Unit for the area comprising (i) the City of Madras and (ii) places situated within twenty-five miles of the limits of the City of Madras by the name “The Madras Housing Unit”; and the Board may, with the approval of the Government establish by resolution a Housing Unit for any other area for the efficient performance of its functions in that area.

(2) Every housing unit shall form part of the establishment of the Board and shall consist of such officers and servants as may be considered necessary by the Board.

(3) Every housing unit shall be in charge of an officer who shall be under the administrative control of the Chairman and shall also exercise such powers, and perform such duties and functions, as may be delegated to him by the Chairman under section 22.

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22. *Control and delegation by Chairman.*—(1) The Chairman shall exercise supervision and control over the acts and proceedings of all officers and servants of the Board, and, subject to the foregoing sections and subject also to such control and revision as may be prescribed, shall decide all questions relating to the service of the said officers and servants, and their salaries, allowances, benefits and privileges.

(2) The Chairman may, by general or special order in writing, delegate to any officer of the Board, any of his powers, duties or functions under this Act or any rules or regulations made thereunder, except those under sections 23, 89, 93, 104, 136 and 139;

Provided that—

(a) the Chairman shall not delegate his powers under sections 28 and 29 to incur expenditure and to approve estimates for any single work or scheme, the value of which exceeds twenty thousand rupees;

(b) the Chairman shall not delegate his powers under section 16 to make appointments to posts the maximum monthly salary of which exceeds one hundred rupees; and

(c) the Chairman shall not delegate any of his powers under section 18 to any officer in respect of any employee of the Board unless such employee was appointed by such officer or any subordinate of such officer, by virtue of a delegation of Chairman's power of appointment under section 16.

(3) The exercise or discharge by any officer of any powers, duties, or functions delegated to him under sub-section (2) shall be subject to such restrictions and limitations as may be imposed by the Chairman, and shall also be subject to his control and revision.

Explanation.—Against any order of the nature referred to in sub-section (2) of section 18 passed by an officer to whom the Chairman's power in that behalf has been delegated, an appeal shall lie to the Board, and if the Chairman has himself revised the order of such officer, an appeal shall lie to the Board against the order of the Chairman.

CHAPTER V.

CONDUCT OF BUSINESS OF THE BOARD AND ITS COMMITTEE.

23. *Meetings of the Board.*—(1) The Board shall meet at such times and places and shall, subject to the provisions of sub-sections (2) and (3), observe such rules of procedure in regard to transaction of business at its meetings (including the quorum at meetings) as may be prescribed by regulations:

Provided that the Board shall meet at least once in every month.

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(2) The Chairman or in his absence such member as may be chosen by the members present from among themselves shall preside at a meeting of the Board.

(3) All questions at any meeting of the Board shall be decided by a majority of the votes of the members present and voting and in the case of an equality of votes, the Chairman, or in his absence the person presiding shall have a second or casting vote.

(4) The proceedings of the meeting of the Board shall be forwarded to the Government in the department in charge of housing within seven days of every meeting.

24. *Temporary association of persons with the Board for particular purposes.*—(1) The Board may associate with itself in such manner and for such purpose as may be prescribed by regulations, any person whose assistance or advice it may desire in complying with any of the provisions of this Act:

Provided that the number of persons so associated shall not be more than five.

(2) A person associated with the Board under sub-section (1) for any purpose shall have the right to take part in the discussions of the Board relevant to that purpose, but shall not have the right to vote and shall not be named as a member for any other purpose.

(3) The Government may, by order, depute one or more officers of the Government to attend any meeting of the Board and to take part in the discussions of the Board, but such officer or officers shall not have the right to vote.

25. *Appointment and functions of Committees.*—(1) The Board may from time to time appoint Committees consisting of such number of persons as it may think fit for the purpose of discharging such duties or performing such functions, and on such terms and conditions as may be prescribed by regulations.

(2) The Chairman or such other person as he may nominate in this behalf shall be the president of the Committee and the Committee shall observe such rules of procedure in regard to transactions of business at its meetings as may be prescribed by regulations.

(3) All proceedings of the Committee shall be subject to confirmation by the Board.

26. *Members of Board or Committee or persons associated with the Board not to take part in proceedings in which they are personally interested.*—(1) A member or a person associated with the Board or a member of any Committee who—

(a) has directly or indirectly, by himself or by any partner, employer or employee, any such share or interest as is described in sub-section (1) of section 7 in respect of any matter, or

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(b) has acted professionally, in relation to any matter, on behalf of any person having therein any such share or interest as aforesaid,

shall not vote or take part in any proceeding of the Board or any Committee relating to such matter.

(2) If any member or any person associated with the Board under section 24 or any member of a Committee appointed under section 25 has, directly or indirectly, any beneficial interest in any land situated in an area comprised in any housing or improvement scheme framed under this Act, or in an area in which it is proposed to acquire land for any of the purposes of this Act—

(i) he shall at a meeting relating to such area of the Board or any Committee inform the person presiding of the nature of such interest, and

(ii) he shall not take part in any proceeding relating to such area at a meeting of the Board or any Committee.

(3) Nothing in sub-section (2) shall prevent any member or any person associated with the Board under section 24 or any member of a Committee appointed under section 25 from voting on, taking part in, the discussion of any resolution or question relating to any subject other than a subject referred to in that sub-section.

27. *Acts of the Board or Committee not to be invalidated by informality, vacancy, etc.*—No act done or proceeding taken under this Act by the Board or any Committee shall be invalidated merely on the ground—

(a) of any vacancy or defect in the constitution of the Board or the Committee; or

(b) of any defect or irregularity in the appointment of a person acting as a member thereof; or

(c) of any defect or irregularity in such act or proceeding not affecting the merits of the case.

CHAPTER VI.

POWERS OF BOARD AND CHAIRMAN TO INCUR EXPENDITURE ON SCHEMES AND ENTER INTO CONTRACTS.

28. *Powers of Board and Chairman to incur expenditure.*—Subject to budget provisions and availability of funds, expenditure may be incurred on any single work or scheme for carrying out any of the purposes of this Act—

(1) by the Chairman, in case such expenditure does not exceed fifty thousand rupees; and

(2) by the Board, in other cases :

Provided that the Board shall not, without the previous approval of the Government, incur any such expenditure exceeding ten lakhs of rupees.

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29. *Powers of Board and Chairman to approve estimates.*—The Board or the Chairman may accord approval to estimates for incurring expenditure on any work or scheme for carrying out any of the purposes of this Act subject to the like restrictions and conditions imposed on the Board or the Chairman, as the case may be, under section 28.

30. *Emergency powers of Chairman.*—The Chairman may, in cases of emergency, direct the execution of any work or the doing of any act which requires the sanction of the Board and the immediate execution or doing of which is, in his opinion necessary for the service or safety of the public and may also direct that the expenses of executing the work or of doing the act shall be paid from the funds of the Board :

Provided that—

(a) he shall not act under this section in contravention of any direction of the Board or the Government prohibiting the execution of any particular work or the doing of any particular act;

(b) he shall report the action taken by him under this section and the reasons therefor to the Board at its next meeting and shall also submit a copy of his report to the Government.

31. *Power to make and perform contracts.*—The Board may enter into and perform all such contracts as it may consider necessary or expedient for carrying out the purposes of this Act.

32. *Agreements and security deposits.*—(1) Every contract shall be made on behalf of the Board by the Chairman.

(2) The Chairman shall take sufficient security deposit for the due performance of the contract.

(3) Written agreements shall be executed for all contracts, the value of which exceeds five hundred rupees.

(4) Every contract made by the Chairman, the value of which exceeds ten thousand rupees, shall be reported to the Board at its next meeting.

33. *Further provisions as to execution of contracts and agreements.*—(1) Subject to the provisions of sections 31 and 32, the contracts or agreements shall be made or executed in accordance with such rules as may be prescribed.

(2) A contract or agreement made or executed in contravention of the provisions of this Act or the rules or regulations made thereunder shall not be binding on the Board.

34. *Signing of instruments by the Chairman, the Secretary or the Housing Board Engineer and the registration of such instruments.*—(1) The Chairman, or if authorized in writing by the Chairman in this behalf, the Secretary, or the Housing Board Engineer may sign on behalf of the Board any agreement or other instrument to be executed on behalf of the Board.

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(2) Notwithstanding anything contained in the Indian Registration Act, 1908 (Central Act XVI of 1908), it shall not be necessary for the Chairman, the Secretary or the Housing Board Engineer to appear in person or by agent at any registration office in any proceeding connected with the registration of any instrument executed by him in his official capacity or to sign as provided in section 58 of that Act.

(3) Where any instrument is so executed, the registering officer to whom such instrument is presented for registration may, if he thinks fit, refer to Chairman, Secretary or Housing Board Engineer for information respecting the same and shall, on being satisfied of the execution thereof, register the instrument.

CHAPTER VII.

HOUSING OR IMPROVEMENT SCHEMES.

35. *Power of the Board to undertake housing or improvement schemes and incur expenditure.*—(1) Subject to the provisions of this Act, the Board, from time to time, incur expenditure and undertake works for the framing and execution of such housing or improvement schemes as it may consider necessary.

(2) The Government may, on such terms and conditions as they may think fit to impose, transfer to the Board the execution of any housing or improvement scheme not provided for by this Act, and the Board shall thereupon undertake the execution of such scheme as if it had been provided for by this Act.

(3) The Board may, on such terms and conditions as may be agreed upon, take over for execution any housing or improvement scheme undertaken by a local authority and the Board shall execute such scheme as it had been provided for by this Act.

36. *Power of Government to transfer any land belonging to or vested in them or acquired under Madras Act XI of 1954 to the Board.*—Whenever the Government consider it expedient or necessary, for the purpose of clearance or improvement of any slum area, to transfer any land in such area belonging to or vested in them or acquired under the provisions of the Madras Slum Improvement (Acquisition of Land) Act, 1954 (Madras Act XI of 1954), they may do so on such terms and conditions as they may think fit to impose; and direct the Board to undertake the clearance or improvement of that area and to frame and execute such housing or improvement scheme under this Act as Government may specify and the Board shall thereupon undertake the same for execution as if it had been provided for . . . by this Act.

37. *Housing or improvement scheme when to be framed by the Board.*—A housing or improvement scheme may be framed by the Board on its own motion or at the instance of the Government or a local authority.

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33. *Board may agree or refuse to frame and execute a housing or improvement scheme.*—(1) The Board may agree to frame and execute a housing or improvement scheme at the instance of a local authority if the Board is satisfied that such scheme is necessary and the funds at its disposal permit the framing and the execution of such scheme or may refuse to frame and execute such scheme if it is satisfied that it is either unnecessary or not feasible or that it is otherwise unexecutable.

(2) Any local authority deeming itself aggrieved by the refusal of the Board under sub-section (1) may, within two months from the date of receipt of the order of such refusal appeal to the Government may pass such orders thereon as they fit and it shall be the duty of the Board to give effect to such orders accordingly.

39. *Matters to be provided by housing or improvement schemes.*—Notwithstanding anything contained in any other law for the time being in force, a housing or improvement scheme may provide for all or any of the following matters, namely :—

(a) the acquisition by purchase, exchange, or otherwise of any property necessary for or affected by the execution of the scheme;

(b) the laying or re-laying out of any land comprised in the scheme;

(c) the distribution or re-distribution of sites belonging to owners of the property comprised in the scheme;

(d) the closure or demolition of dwellings or portions of dwellings unfit for human habitation;

(e) the demolition of obstructive buildings or portions of buildings;

(f) the construction and reconstruction of buildings;

(g) the sale, lease or exchange of any property comprised in the scheme;

(h) the construction and alteration of roads, streets, back lanes, bridges, culverts and causeway;

(i) the draining water-supply and lighting of the streets included in the scheme;

(j) the provision of open parks, playing fields and open spaces for the benefit of any area comprised in the scheme or any adjoining area, and the enlargement of existing parks, playing fields, open spaces and approaches.

(k) the provision of sanitary arrangements required for the area comprised in the scheme, including the conservation of and prevention of injury or contamination to rivers or other sources and means of watersupply;

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(l) the provision of accommodation for any class of inhabitants;

(m) the advance of money for the purposes of the scheme;

(n) the provision of facilities for communication and transport;

(o) the collection of such information and statistics as may be necessary for the purpose of this Act :

(p) the reclamation or reservation of lands for markets, gardens, playing fields and afforestation;

(q) the provision of schools, parks, swimming pools, restaurants, shops, markets, fuel depots, laundries, hair dressing saloons and other amenities in the scheme; and

(r) any other matter for which in the opinion of the Government, it is expedient to make provision with a view to provide house accommodation and to the improvement of any area comprised in the scheme, or of any adjoining area or the general efficiency of the scheme.

Explanation.—For the purposes of this section, the Government may by notification, specify such area surrounding or adjoining the area included in a housing or improvement scheme to be the adjoining area.

40. *Types of housing or improvement schemes.*—Any housing or improvement scheme shall be of one of the following types, or combination of any two or more such types or of any special features thereof that is to say—

- (a) a house accommodation scheme;
- (b) a rebuilding scheme;
- (c) a rehousing or rehabilitation scheme;
- (d) a city or town or village expansion scheme;
- (e) a street scheme;
- (f) a deferred street scheme;
- (g) a land development scheme; and
- (h) a general improvement scheme.

41. *House accommodation scheme.*—(1) Whenever the Board is of opinion that it is expedient or necessary to meet the need for house accommodation in any area, the Board may frame a house accommodation scheme.

(2) Such scheme shall specify the layout of the area where the houses are to be constructed.

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(3) Such scheme may provide for the construction of houses and for the sale, leasing out or sale on hire purchase basis of any house so constructed.

(4) The Board may provide in the area roads, streets, drainage, water-supply, street lighting and other amenities.

42. *Re-building scheme*.—(1) Whenever it appears to the Board that any area is an insanitary area, within the meaning of section 48 and that having regard to the comparative value of the buildings in such area and of the sites on which they are erected, the most satisfactory method of dealing with the area or any part thereof is a rebuilding scheme, the Board may frame a rebuilding scheme for the whole area or any part of it in accordance with the provisions of this section.

(2) A rebuilding scheme may provide for—

(a) the reservation of roads, streets, lanes and open spaces, and the enlargement of existing roads, streets, lanes, and open spaces to such extent as may be necessary for the purposes of the scheme;

(b) the relaying out of the sites of the area upon roads, streets, lanes and open spaces so reserved or enlarged;

(c) the payment of compensation in respect of any such reservation or enlargement, and the formation of roads, streets, lanes and open spaces so reserved or enlarged;

(d) the reconstruction, alteration, or demolition of the existing buildings and their appurtenances by the owners or by the Board in default of the owners, and the erection of buildings in accordance with the scheme by the said owners, or by the Board in default of the owners, upon the sites as defined under the scheme;

(e) the advance to the owners, upon such terms and conditions as to interest, sinking fund, and other matters as may be provided under the scheme, of such sums as may be necessary to assist them to reconstruct or alter existing buildings or to erect new buildings in accordance with the scheme; and

(f) the acquisition by the Board of any site or building comprised in the area included in the scheme.

43. *Rehousing or rehabilitation scheme*.—Whenever the Board is of opinion that it is necessary for persons who—

(a) are displaced by the execution of any housing or improvement scheme sanctioned under this Act, or

(b) are likely to be displaced by the execution of any housing or improvement scheme which it is intended to frame under this Act, or

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(c) are surplus in any scheme area,

the Board may frame a rehousing scheme for the construction, maintenance, and management of such number of dwelling houses and shops as may be required, or may frame a rehabilitation scheme for providing such number of open plots with roads, streets and open spaces as may be necessary.

44. *City or town or village expansion schemes.*—(1) Whenever the Board is of opinion that it is expedient to control and provide for the future expansion or development of a city, town or village, the Board may frame an expansion scheme and specify the time-limit for the execution of such scheme.

(2) The expansion scheme may be framed in respect of an area which lies wholly within or wholly outside the limits of the city, town or village or in respect of an area which lies partly within and partly outside the city, town or village.

(3) Such scheme shall specify the proposed layout of the area to be developed and the purposes for which particular portions thereof are to be utilised.

(4) After any such scheme has come into force, no person shall, without the previous permission of the Board, erect, re-erect, add to, or alter any building or wall within the area comprised in the scheme.

(5) If the Board refuses to grant permission to any person to erect, re-erect, add to or alter any building or wall on his land in the area aforesaid, and does not proceed to acquire such land within one year from the date of such refusal, the Board shall pay reasonable compensation to such person, for any damage sustained by him in consequence of such refusal.

45. *Street scheme.*—(1) Whenever the Board is of opinion that for the purpose of—

- (a) providing building sites, or
- (b) remedying defective ventilation, or
- (c) creating new or improving existing means of communication and facilities for traffic; or
- (d) affording better facilities for conservancy,

It is expedient to layout new streets or alter existing streets (including bridges, causeways and culverts) in any area, the Board may frame a street scheme for such area.

(2) A street scheme may, within the limits of the area comprised in the scheme, provide for the following matters, namely :—

(a) the acquisition of any land which, in the opinion of the Board, is necessary for the street scheme;

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(b) the re-laying out of all or any of the lands so acquired including the construction and reconstruction of buildings by the Board or by persons authorized by the Board in that behalf and the laying out, construction, and alteration of streets and thoroughfares;

(c) the drainage, water-supply and lighting of streets and thoroughfares so laid out, constructed or altered;

(d) the raising, lowering, or reclamation of any land vested in, or to be acquired, by the Board for the purposes of the scheme;

(e) the provision of open spaces for the better ventilation of the area comprised in the scheme; and

(f) the acquisition of any land adjoining any street, thoroughfare, or open space to be formed under the scheme.

46. *Deferred street scheme.*—(1) Whenever the Board is of opinion that it is necessary to provide for the ultimate widening of any street by altering the existing alignments of such street to improved alignments to be prescribed by the Board but that it is not necessary immediately to acquire all or any of the properties lying within the proposed improved alignments, the Board . . . may frame a "deferred street scheme" prescribing an alignment on each side of the street and specify the time-limit for the execution of such scheme.

(2) A deferred street scheme shall provide for the following matters, namely :—

(a) the acquisition of the whole or any part of any property lying within the prescribed street alignments within the time-limit specified in the scheme which may be extended by the Board from time to time :

Provided that such time-limit including the extensions granted by the Board shall in no case exceed twenty years from the date of sanction of the scheme;

(b) the re-laying out of all or any such property including the construction and reconstruction of buildings by the Board or by any other person, and the formation and alignment of the street;

(c) the draining, water-supply, and lighting of the streets so formed or altered.

(3) After a deferred street scheme has been sanctioned by the Board—

(a) no person shall, except with the written permission of the Board, erect, re-erect, add to or alter any building or wall so as to make the same project into the prescribed alignment of the street;

(b) if the Board fails to acquire or to institute proceedings for the acquisitions of any property within the prescribed alignment of any street within the time-limit specified in the scheme or

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extended by it, the owner of such property may, at any time thereafter, give the Board notice requiring it to acquire or to institute proceedings for the acquisition of such property before the expiration of six months from the date of such notice, and thereupon the Board shall acquire, or institute such proceedings and acquire the property accordingly; and if the Board fails to do so, it shall pay reasonable compensation to the owner for any damage sustained by him in consequence of such failure;

(c) before proceeding to acquire any property lying within the prescribed alignment of the street other than property regarding which it has received a notice under clause (b), the Board shall give six months' notice to the owner of its intention to acquire such property;

(d) notwithstanding anything contained in the Madras City Municipal Act, 1919 (Madras Act IV of 1919) or the Madras District Municipalities Act, 1920 (Madras Act V of 1920) or in any notification issued under section 206 of the Madras District Boards Act, 1920 (Madras Act XIV of 1920) or under section 125 of the Madras Village Panchayats Act, 1950 (Madras Act X of 1950) or under section 6 of the Madras Panchayats Act, 1958 (Madras Act XXXV of 1958), the Council of the Corporation of Madras, the Municipal Council, the District Board, the Village Panchayat, the panchayat or the Panchayat Union Council shall not have power to prescribe any alignment of the street within the limits of the scheme, and any such alignment previously prescribed within such limits shall cease to be the alignment of the street.

47. *Land development scheme*.—(1) Whenever the Board is of opinion that it is expedient to provide building sites . . . in any area, the Board may frame a land development scheme.

(2) Such scheme shall specify the proposed layout of the area to be developed and the purposes for which particular portions thereof are to be utilized.

(3) The Board may provide for roads, streets, open spaces, drainage, water-supply, and street-lighting and other amenities for the scheme area.

(4) The Board may lease out or sell, by outright sale or on hire-purchase basis, the building sites in the scheme area . . .

48. *General improvement scheme*.—Whenever it appears to the Board—

(a) that in any area, any buildings used or intended or likely to be used as dwelling houses are unfit for human habitation, or

(b) that danger to the health of the inhabitants of buildings in any area, or to buildings in the neighbourhood of such area is likely to be caused by—

(i) the narrowness, closeness, or bad arrangement or condition of streets or buildings or groups of buildings in such area, or

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(ii) the want of light, air, ventilation, or proper conveniences in such area, or

(iii) any other sanitary defects in such area, the Board may frame a General Improvement Scheme in respect of such area.

49. *Preparation, publication and transmission of notice as to housing or improvement schemes and supply of documents to applicants.*—(1) When any housing or improvement scheme has been framed, the Board shall prepare a notice to that effect and specify—

(a) the boundaries of the area comprised in the scheme; and

(b) the place or places at which particulars of the scheme, a map of the area, and details of the land which it is proposed to acquire and of the land in regard to which it is proposed to recover a betterment fee, may be seen at reasonable hours.

(2) The Board shall—

(a) cause the said notice to be published weekly for three consecutive weeks in the *Fort St. George*, and in two leading daily newspapers in the State, specifying the period up to which the objections will be received; and

(b) send a copy of the notice to the local authority concerned.

(3) The Chairman shall cause copies of all documents referred to in clause (b) of sub-section (1) to be delivered to any applicant on payment of the fee fixed by the Board.

50. *Transmission to the Board of representation by the concerned local authority as to housing or improvement scheme.*—The local authority to whom a copy of a notice has been sent under clause (b) of sub-section (2) of section 49 shall, within a period of sixty days from the receipt of the said copy, forward to the Board any representation which the local authority may wish to make regarding the scheme.

51. *Notice of proposed acquisition of land.*—(1) Within three weeks following the day on which any notice is first published under section 49 in respect of any housing or improvement scheme, the Board shall serve a notice in such form as may be prescribed on—

(a) every person whose name appears in the assessment list of the local authority concerned as being primarily liable to pay property tax on any building or land which . . . is proposed to be acquired in executing the scheme, or in regard to which the Board proposes to recover betterment fee, and

(b) the occupier (who need not be named) of every premises which the Board proposes to acquire in executing the scheme.

(2) A copy of the notice shall also be affixed in every such premises.

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(3) Every such notice shall be signed by the Chairman or by a person duly authorized by him in that behalf.

(4) Any person on whom a notice under sub-section (1) has been served may, within thirty days from the service of the notice, make a representation in writing to the Board stating his objections to the scheme.

52. *Furnishing of copies or extracts from the assessment book of the local authority.*—The executive officer of any local authority shall, at the request of the Chairman, furnish him with a copy of, or an extract from, the assessment list of the local authority.

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53. *Abandonment, modification or sanction of a housing or improvement scheme.*—(1) After considering the objections and representations, if any, received in pursuance of sub-section (2) of section 49, section 50 and sub-section (4) of section 51 and after hearing the persons who, have raised any such objections or made any such representations, desire to be heard, the Board may either abandon or modify or sanction the scheme, or apply to the Government for sanction with such modifications, if any, as the Board may consider necessary if the cost of the scheme exceeds ten lakhs of rupees.

(2) The Government may sanction with or without modification, or may refuse to sanction or may return for reconsideration any housing or improvement scheme, costing over ten lakhs of rupees submitted to them under sub-section (1).

(3) If a scheme returned for reconsideration under sub-section (2) is modified by the Board, it shall be republished in accordance with section 49—

(a) in every case in which the modification affects the boundaries of the area comprised in the scheme, or involves the acquisition of any land not previously proposed to be acquired; and

(b) in every other case, where the modification is, in the opinion of the Board, of sufficient importance to require republication.

54. *Publication of sanction of housing or improvement scheme.*—(1) Whenever the Board or the Government sanction a housing or improvement scheme, it shall be announced by notification :

Provided that whenever the Board sanctions a scheme with modifications, if any, it shall cause notice to that effect to be published weekly for two consecutive weeks in the *Fort St. George Gazette* and in two leading daily newspapers in the State.

(2) The publication of the notification or notice under sub-section (1) in respect of any scheme shall be conclusive evidence that the scheme has been duly framed and sanctioned.

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(3) Any person aggrieved by the decision of the Board sanctioning a housing or improvement scheme may, within thirty days from the date of last publication in the *Fort St. George Gazette* of the said scheme, appeal to the Government and the decision of the Government on such appeal shall be final and shall not be liable to be questioned in any court of law.

(4) The scheme shall come into force and shall have effect—

(a) where no appeal is preferred under sub-section (3), on and from the expiry of the thirty days referred to in that sub-section; and

(b) where such appeal is preferred, on and from the date of the decision of the Government on such appeal.

55. *The Board to execute housing or improvement schemes soon after sanction.*—As soon as may be after a housing or improvement scheme other than a deferred street scheme or expansion scheme has come into force, the Board shall proceed to execute the same.

56. *Alteration of a housing or improvement scheme after sanction.*—Any time after a housing or improvement scheme has been sanctioned by the Board or the Government, as the case may be, and before it has been carried out into execution the Board may alter or cancel it :

Provided that—

(a) if any alteration is likely to increase the estimated net cost of executing a scheme by more than ten per cent of the total cost, or if any altered scheme is likely to cost more than ten lakhs of rupees, the alteration shall not be made without the previous sanction of the Government;

(b) if any alteration involves the acquisition, otherwise than by agreement, of any land not previously proposed to be acquired in the original scheme, the procedure prescribed in the foregoing sections of this Chapter shall, so far as it may be applicable, be followed as if the alteration were a separate scheme;

(c) if, owing to any alteration, any land not previously liable under the scheme to the payment of a betterment fee, becomes liable to such payment, the procedure prescribed in sections 49, 50 and 51 shall so far as it may be applicable, be followed in regard to such land :

Provided further that no scheme, costing over ten lakhs of rupees, shall be cancelled under this section without the previous sanction of the Government.

Explanation.—For the purposes of this section, the word “alteration” shall be deemed to include a combination of two or more schemes framed or proposed to be framed and the expression “altered scheme” shall be deemed to include any scheme so combined.

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57. Transfer to Board for purposes of improvement scheme of building or land vested in local authority.—(1) Whenever any building or land or any street or any part thereof, which is situated within the jurisdiction of a local authority and is vested in such local authority, is within the area of any housing or improvement scheme, the Board shall give notice accordingly to that local authority and such building, land or street or any part thereof shall thereupon vest in the Board.

(2) Where any land situated within the jurisdiction of a local authority vests in the Board under the provisions of sub-section (1) and the Board makes a declaration that such land will be retained by the Board only until it reverts in the local authority as part of a street or an open space under section 63, no compensation shall be payable by the Board to the local authority in respect of that land.

(3) Where any land or building vests in the Board under the provisions of sub-section (1) and no declaration is made under sub-section (2) in respect of the land, the Board shall pay to the local authority as compensation, a sum equal to the market value of such land or building as on the date on which the scheme comes into force under section 54 and where any building situated on the land in respect of which a declaration has been made by the Board under sub-section (2) is vested in the Board under sub-section (1), like compensation shall be payable in respect of such building by the Board.

(4) If, in any case, where the Board has made a declaration in respect of any land under sub-section (2), the Board retains or disposes of the land contrary to the terms of the declaration, so that the land does not revert in the local authority, the Board shall pay, to the local authority, compensation in respect of such land in accordance with the provisions of sub-section (3).

(5) If any question or dispute arises as to whether compensation is payable under sub-section (3) or sub-section (4), or, as to the amount of such compensation or as to whether any building, land or street, or any part thereof, is required for the purposes of the scheme the matter shall be referred to the Government whose decision shall be final.

58. Transfer of private street or square to Board for purpose of housing or improvement scheme.—(1) Whenever any private street or square or part thereof which is not vested in the Board or in any local authority is required for executing any housing or improvement scheme, the Board shall cause to be affixed in a conspicuous place in or near such street or square or part, a notice signed by the Chairman and—

(a) stating the purpose for which the street or square or part thereof is required, and

(b) declaring that the Board will, on or after a date to be specified in the notice, take over charge of such street or square, or part from the owner thereof, and shall simultaneously send a copy of such notice to the owner of such street or square or part.

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(2) After considering the objections (if any), received in writing before the date specified under clause (b) of sub-section (1), the Board may take over charge of such street or square or part, and the same shall thereupon vest in the Board.

(3) When the Board alters or closes any private street or square or part thereof which has vested in it under sub-section (2), it shall pay reasonable compensation to the previous owner for the loss of his rights therein.

(4) If the alteration or closing or any such street or square or part causes damage or substantial inconvenience to owners of property adjacent thereto, or to residents in the neighbourhood, the Board shall forthwith provide some other reasonable means of access for the use of persons who were entitled to use such street or square or part as a means of access to any property, or place and if the provision of such means of access does not sufficiently compensate any such owner or resident for such damage or inconvenience, the Board shall also pay him reasonable compensation.

59. *Bar to application of certain laws of a local authority regarding closure.*—(1) Such of the provisions of the Madras City Municipal Act, 1919 (Madras Act IV of 1919), the Madras District Municipalities Act, 1920 (Madras Act V of 1920), the Madras District Boards Act, 1920 (Madras Act XIV of 1920), the Madras Village Panchayats Act, 1950 (Madras Act XXXV of 1950) as relate to maintenance or repairs of public street, closure of public street or parts thereof, diverting or turning public street or parts thereof and to disposal of the land which is no longer required when any public street is permanently closed, shall not apply to any street which is vested in the Board.

(2) Such of the provisions of the enactments specified in sub-section (1) as relate to temporary closure of streets, precautions during repairs of streets and prosecution against removal of bars and lights shall not apply to the Board when any drain or premises vested in the local authority is opened or broken up by the Board or any public street is under construction by the Board.

60. *Repairs of streets vested in the Board.*—Whenever the Board allows any street vested in it to be used for public traffic, it shall keep the street in good repair and do all things necessary for the safety and convenience of persons using it.

61. *Transferring streets laid out or altered and open spaces provided by the Board under a housing or an improvement scheme.*—(1) The Board may hand over any road or street to the local authority concerned after giving a month's notice, when—

(a) any such road or street laid out or altered by the Board has been duly levelled, metalled, flagged, channelled, sewered and drained in the manner provided in the scheme sanctioned by the Board or the Government under section 53;

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(b) lamp posts, necessary for the lighting of such streets have been provided by the Board; and

(c) water and other sanitary conveniences have been duly provided in such streets.

(2) The local authority concerned, after receiving the notice from the Board under sub-section (1), declare the street to be a public street; and the street shall thereupon vest in the local authority; and shall thenceforth be maintained, kept in repair, lighted and cleansed by the local authority.

(3) When any open space for the purposes of ventilation or recreation has been provided by the Board in executing any housing or improvement scheme, it shall, on completion, be transferred to the local authority concerned by a resolution of the Board and it shall thereupon vest in the local authority concerned and thereafter be maintained by that local authority at its expense.

Provided that the local authority may require the Board before any such open space is so transferred to enclose, level, turf, drain, and layout such space and provide foot-path therein, and if necessary to provide lamps and other apparatus for lighting it.

(4) If any difference of opinion arises between the Board and the local authority in respect of any matter referred to in the foregoing provisions of this section, the matter shall be referred to the Government whose decision shall be final.

62. Prevention or restriction of traffic in street vested in the Board, during progress of work.—(1) When any work which may lawfully be done, is being executed by the Board in any street vested in it, the Board may direct that such street shall, during the progress of such work, be either wholly or partially closed to traffic generally or to traffic of any specified description.

(2) When any such direction has been given, the Board shall set up in a conspicuous position in or near the street an order prohibiting traffic to the extent so directed, and fix such bars, chains, or posts across or in the street as it may think proper for preventing or restricting traffic therein.

63. Provision of facilities when work is executed by the Board in public streets vested in it.—(1) When any work is being executed by the Board in any public street vested in it, the Board shall, so far as may reasonably be practicable, make adequate provision for—

(a) the passage or diversion of traffic;

(b) securing access to all premises approached from such street; and

(c) any drainage, water-supply, or means of lighting, which is interrupted by reason of the execution of the work.

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(2) The Board shall pay reasonable compensation to any person who sustains special damage by reason of the execution of any such work.

64. *Power of the Board to turn or close public street or square vested in it.*—(1) The Board may—

(a) turn, divert, discontinue the public use of, or permanently close any public street vested in it or any part thereof; or

(b) discontinue the public use of, or permanently close any public square vested in it or any part thereof.

(2) Whenever the Board discontinues the public use of or permanently closes any public street vested in it or any part thereof, it shall pay reasonable compensation to every person who was entitled, otherwise than as a member of the public, to use such street or part as means of access, and has suffered damage from such discontinuance or closing.

(3) Whenever the Board discontinues the public use of or permanently closes, any public square vested in it, or any part thereof, it shall pay reasonable compensation to every person who was entitled, otherwise than as a member of the public, to use such square or part as a means of access.

(4) When any public street or square vested in the Board, or any part thereof, is permanently closed under sub-section (1), the Board may sell or lease so much of the same as is no longer required.

65. *Power of the Board to retain lanes not meant for vehicular traffic.*—Notwithstanding anything contained in section 63, the Board may retain any lane (not meant for vehicular traffic) and may enter into an agreement with the local authority concerned or any other person for the supervision, repair, lighting and general management of any lane so retained.

66. *Other duties of the Board.*—It shall also be the duty of the Board to take measures with a view—

(1) to plan and co-ordinate all housing activities in the State, and to ensure expeditious and efficient implementation of housing or improvement schemes in the State;

(2) to provide technical advice and scrutinise all projects under housing or improvement schemes sponsored or assisted by the Central or State Government;

(3) to maintain, allot, lease and otherwise use plots, buildings, and other properties of the Board or the Government, and to collect rents from the properties under the control and management of the Board, and repay loans to the State and Central Governments;

(4) to set up a research section in collaboration with the National Buildings Organization for the purpose of expediting the construction of, and cheapening the cost of buildings; and

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(5) to organize and run a Central Stores for manufacture, sale, stockpiling and supply of building materials, required for housing or improvement schemes.

67. *Supervision and centage charges.*—The Board may include in the cost of any housing or improvement scheme framed by it or any other work undertaken by it, supervision and centage charges at such rates as may be fixed by it:

Provided that the rate so fixed shall not be more than twelve and a half per cent of the cost of the scheme or work.

68. *Power of Government to call for the records of the Board and to modify, annul, etc., of housing or improvement schemes.*—

(1) Notwithstanding anything contained in the foregoing provisions of this Chapter, the Government may, at any time in the case of any housing or improvement scheme, which is proposed to be framed or which has been framed by the Board or which is being executed by it, call for and examine the records of the Board relating to such scheme and if, after making the examination and after considering the representations, if any, of the Board and the local authority concerned, it appears to the Government that such scheme should be modified, annulled or remitted for reconsideration to the Board or that such scheme should be executed with modifications, they may pass orders accordingly.

(2) The Government may stay the execution of any such scheme pending the exercise of their powers under sub-section (1) in respect thereof.

(3) Any housing or improvement scheme which has already come into force but has been modified by the Government under sub-section (1) shall have effect as if it had been duly sanctioned by the Board under section 53. The scheme as modified shall be published in accordance with the provisions of section 54 and on such publication the scheme so modified shall come into force and shall have effect.

69. *Power to exempt.*—The Government may, by notification, exempt, subject to such conditions and restrictions as may be specified in such notification, any housing or improvement scheme, or class of housing or improvement schemes from all or any of the provisions of this Chapter.

CHAPTER VIII.

ACQUISITION AND DISPOSAL OF LAND.

70. *Power to acquire land under the Land Acquisition Act.*—Any land or any interest therein required by the Board for any of the purposes of this Act may be acquired under the provisions of the Land Acquisition Act, 1894 (Central Act I of 1894).

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71. *Power to purchase or lease by agreement.*—The Board may enter into agreement with any person for the acquisition from him by purchase, lease or exchange, of any land or any interest therein which may be acquired under section 70 :

Provided that if the value of such land or interest exceeds fifty thousand rupees, the Board shall not enter into such agreement without the previous approval of the Government.

72. *Power to dispose of land.*—(1) The Board may retain or may lease, sell, exchange or otherwise dispose of any land vested in or acquired by it under this Act.

(2) Whenever the Board decides to lease or sell any land acquired by it under this Act from any person, it—

(a) shall give notice by advertisement in one of the leading local newspapers in the State, and

(b) shall offer to the said person, or his heir, executors or administrators, a prior right to take on lease or to purchase such land for an amount or at rate to be fixed by the Board. If the Board considers that such an offer can be made without detriment to the carrying out of the purposes of this Act.

(3) If in any case two or more persons claim to have the prior right referred to in clause (b) of sub-section (2), preference shall be given to the person who agrees to pay the highest amount or rate for the land, not being less than the amount or rate fixed by the Board under that clause.

CHAPTER IX.

LEVY, ASSESSMENT AND RECOVERY OF BETTERMENT FEE.

73. *Payment of betterment fee.*—(1) When by the execution of a housing or improvement scheme, any land in the area comprised in the scheme which is not required for the execution thereof will in the opinion of the Board, be increased in value, the Board in framing the scheme, may declare that betterment fee shall be payable by the owner of the land or any person having an interest therein in respect of the increase in value of the land resulting from the execution of the scheme.

(2) Such increase in value shall be the amount by which the value of the land on the completion of the execution of the scheme estimated as if the land were clear of buildings, exceeds the value of the land prior to the execution of the scheme estimated in the like manner; and the betterment fee shall be one-third of such increase in value.

(3) The Board may, with the previous approval of the Government, declare that such betterment fee shall also be payable in respect of any land not comprised in the scheme but is adjacent to the area comprised in the scheme if such land will be increased in value consequent on the execution of a housing or improvement scheme in the area comprised in the scheme.

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74. *Assessment of betterment fee by the Board and notice to persons liable to such fee.*—(1) When it appears to the Board that a housing or improvement scheme is sufficiently advanced to enable the amount of the betterment fee to be determined, the Board shall by a resolution passed in this behalf declare that for the purpose of determining such fee the execution of the scheme shall be deemed to have been completed and shall thereupon give notice in writing to every person on whom a notice in respect of land to be assessed has been served under clause (a) of sub-section (1) of section 51, or to the successor-in-interest of such person, as the case may be, that the Board proposes to assess the amount of the betterment fee payable in respect of such land under section 73.

(2) The Board shall then assess the amount of betterment fee payable by each person concerned after giving such person an opportunity to be heard and such person shall within one month from the date of receipt of notice in writing whether or not he accepts the assessment.

(3) When the assessment proposed by the Board is accepted by the person concerned within the period specified in sub-section (2), such assessment shall be final.

(4) If the person concerned does not accept the assessment made by the Board or fails to inform the Board as required under sub-section (2) within the period specified therein, the matter shall be referred to the Tribunal.

(5) The Tribunal shall, after holding an inquiry, and after hearing the person concerned, assess the amount of betterment fee payable by the person.

75. *Board to give notice to persons liable to payment of betterment fee.*—When the amount of all betterment fees payable in respect of land in the area comprised in the scheme and in respect of land not comprised in the scheme area but is adjacent to the area comprised in the scheme referred to in sub-section (3) of section 73 has been determined under section 74, the Board shall, by a notice in writing to be served on all persons liable to such payment, fix a date by which such payments shall be made, and interest at the rate of four and a half per cent per annum upon any amount outstanding shall be payable from the date :

Provided that any person liable as aforesaid may make payment, if he so chooses, in such number of . . . annual instalments not exceeding ten as the Board may determine. . . .

76. *Agreement to make betterment fee a charge on land.*—(1) Any person liable to pay a betterment fee in respect of any land may, at his option, instead of paying the same to the Board, execute an agreement with the Board to leave the payment outstanding as a charge on his interest in the land, subject to the annual payment

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in perpetuity of interest at the rate of six per cent per annum, the first annual payment of such interest to be made one year from the date referred to in section 75. . . .

(2) Every payment due from any person in respect of a betterment fee and every charge referred to in sub-section (1) shall, notwithstanding anything contained in any other enactment and notwithstanding the existence of any mortgage, or other charge whether legal or equitable, created either before or after the commencement of this Act, be the first charge upon the interest of such person in such land subject to the prior payment of land revenue, if any, due to the Government on such land.

(3) If any instalment of interest due under an agreement executed in pursuance of sub-section (1) be not paid on the date on which it is due, the betterment fee shall become payable on that date, in addition to the said instalment.

(4) At any time after an agreement has been executed in pursuance of sub-section (1) any person may pay off the charge created thereby, with the interest due up to the date of such payment.

(5) When an agreement in respect of any land has been executed by any person in pursuance of sub-section (1), no suit with respect to such agreement shall be brought against the Board by any other person (except an heir, executor or administrator of the person first aforesaid) claiming to have an interest in the land.

77. *Recovery of moneys payable in pursuance of sections 73, 75 and 76.*—All moneys payable in respect of any land by any person in respect of a betterment fee under section 73 or section 75 or by any person under an agreement executed in pursuance of sub-section (1) of section 76 shall, together with interest due up to the date of realization, be recoverable by the Board from the said person or his successor in interest in such land, as an arrear of land revenue.

78. *Agreement or payment of betterment fee not to bar acquisition under fresh declaration.*—If any land in respect of which the payment of a betterment fee has been accepted in pursuance of sub-section (3) of section 74 or in respect of which an agreement regarding the betterment fee has been executed under section 76, be subsequently required for any of the purposes of this Act, the payment or agreement shall not be deemed to prevent the acquisition of the land under the Land Acquisition Act, 1894 (Central Act I of 1894).

CHAPTER X.

CONSTITUTION OF TRIBUNAL AND ITS FUNCTIONS.

79. *Constitution of a Tribunal for certain purposes.*—(1) Notwithstanding anything contained in the Land Acquisition Act, 1894 (Central Act I of 1894), the Government may constitute a

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Tribunal for the purpose of performing the functions of the Court with reference to the acquisition to land for the Board under the said Act, for deciding disputes relating to levy or assessment of betterment fee and for deciding such other matters as may be prescribed.

(2) The Tribunal shall consist of one person only who shall be a judicial officer not below the rank of Subordinate Judge.

(3) The Tribunal shall have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 (Central Act V of 1908).

80. *Officers and servants of the Tribunal.*—The Tribunal may, with the previous sanction of the Government, appoint such officers and servants as it considers necessary for carrying on its business, and the remuneration and other conditions of service of such officers and servants shall be such as may be prescribed.

81. *Payments by Board on account of Tribunal.*—The amount necessary for the payment of remuneration, salaries, allowances and other contributions payable to the judicial officer appointed as the Tribunal and of the officers and servants of the Tribunal shall be paid out of the funds of the Board.

82. *Awards and decisions of Tribunal to be final.*—Notwithstanding anything to the contrary in the Land Acquisition Act, 1894 (Central Act I of 1894), the award of the Tribunal in relation to the acquisition of land shall be deemed to be the award of the Court under the said Act, and any such award and any decision of the Tribunal on any matter referred to it under this Act shall be final and shall not be liable to be questioned in any court of law.

83. *Awards and orders of Tribunal to be executed by civil courts.*—Every award of the Tribunal and every order made by the Tribunal for the payment of money for the delivery of possession or removal of any structure shall be enforced in the Presidency Town, by the Madras City Civil Court, and elsewhere by the Subordinate Judge's Court having jurisdiction over the area in which the land concerned in the proceeding of the Tribunal is situated as if it were the decree of the said court.

CHAPTER XI.

POWER TO EVICT PERSONS FROM BOARD PREMISES.

84. *Power to evict certain persons from Board premises.*—(1) If the competent authority is satisfied—

(a) that the person authorised to occupy any Board premises has—

(i) not paid rent lawfully due from him in respect of such premises for a period of more than two months; or

(ii) sub-let, without the permission of the Board, the whole or any part of such premises; or

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(iii) otherwise acted in contravention of any of the terms express or implied, under which he is authorized to occupy such premises; or

(b) that any person is in unauthorized occupation of any Board premises,

the competent authority may, notwithstanding anything contained in any law for the time being in force, by notice served (i) by registered post or (ii) by affixing a copy of it on the outer door or some other conspicuous part of such premises, or (iii) in such other manner as may be prescribed, order that the person authorized to occupy as well as any other person who may be in occupation of the whole or any part of the premises shall vacate them within one month of the date of the service of the notice.

(2) Before an order under sub-section (1) is made against any person, the competent authority shall inform the person, by notice in writing and served in the manner provided for service of notice under sub-section (1), of the grounds for which the proposed order is to be made and give him a reasonable opportunity of tendering an explanation and producing evidence, if any, and to show cause why such order should not be made within a period to be specified in such notice.

(3) The competent authority may, on application, grant extension of the period specified in such notice on such terms as to payment and recovery of the amount claimed in the notice as he deems fit.

(4) Any written statement put in by such person and documents produced in pursuance of such notice shall be filed with the records of the case, and such person shall be entitled to appear in the proceeding either in person or by pleader.

(5) If any person refuses or fails to comply with an order made under sub-section (1), the competent authority may evict that person from, and take possession of, the premises and may for that purpose use such force as may be necessary.

(6) If a person, who has been ordered to vacate any premises under sub-clause (i) or (ii) of clause (a) of sub-section (1) within one month of the date of service of the notice or such longer time as the competent authority may allow, pays to the Board the rent in arrears or carries out or otherwise complies with the terms contravened by him to the satisfaction of the competent authority, as the case may be, the competent authority shall, in lieu of evicting such person under sub-section (5), cancel its order made under sub-section (1), and thereupon such person shall hold the premises on the same terms on which he held them immediately before such notice was served on him.

Explanation.—For the purposes of this section and section 85, the expression “unauthorized occupation.” in relation to any person authorized to occupy any Board premises, includes the continuance in occupation by him or by any person claiming through or under him of the premises after the authority under which he was allowed to occupy the premises has been duly determined.

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Explanation.—For the purposes of this section, the Reserve Bank of India shall mean the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934 (Central Act II of 1934) and a scheduled bank shall mean a bank included in the Second Schedule to the said Act.

90. Subventions and loans to the Board.—The Government may from time to time, make subventions or advance loans to the Board for the purposes of this Act on such term and conditions as the Government may determine.

91. Power of the Board to borrow and lend.—(1) Subject to the provisions of this Act, the Board may, from time to time, with the previous approval of the Government, borrow money required for the purposes of this Act from the public or from any corporation owned or controlled by the Central or State Government.

(2) Whenever the borrowing of any sum of money has been approved by the Government, the Board may, instead of borrowing such sum or any part thereof from the public, take credit from any bank or any corporation owned or controlled by the Central or State Government on a cash account to be kept in the name of the Board to the extent of such sum or part thereof, and may, with the previous sanction of the Government grant mortgages of all or any of the properties vested in the Board by way of security for such credit.

(3) Subject to such conditions and limitations as may be prescribed and with the previous approval of the Government, the Board may, for the promotion and execution of any housing or improvement scheme under this Act, enter into financial arrangements with any bank or other financial institutions approved by the Government or with the Life Insurance Corporation of India established under section 3 of the Life Insurance Corporation Act, 1956 (Central Act 31 of 1956).

(4) Subject to the provisions of this Act, and to such conditions and limitations as may be prescribed, the Board may out of its funds grant loans and advances on such terms and conditions as it may determine, to any co-operative society registered or deemed to be registered under the law relating to co-operative societies for the time being in force in the State of Madras or to any other person for the construction of houses.

92. Guarantee by Government of loans.—The Government may guarantee in such manner as they think fit, the payment of the principal and interest of any loan proposed to be raised by the Board on debentures or of either the principal or the interest.

Provided that the Government shall, so long as any such guarantees are in force, lay before both . . . Houses of the Legislature in every year during the budget session, a statement of the guarantees, if any, given during the current year and an up-to-date account of the total sums, if any, which have been paid out of the Consolidated Fund of the State by reason of any such guarantees or paid into the said Fund towards repayment of any money so paid out.

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93. Form, signature, exchange, transfer and effect of debentures.—(1) Whenever money is borrowed by the Board on debentures, the debentures shall be in such form as the Board may wish the previous sanction of the Government specifying

(2) All debentures shall be signed by the Chairman and either by the Secretary or by any one of the ex-officio members of the Board.

(3) The holder of any debenture in any form specified under sub-section (1) may obtain in exchange therefor a debenture in any other form specified in the manner provided in sub-section (1) and upon such terms as the Board may determine.

(4) Every debenture issued by the Board shall be transferable by endorsement, unless some other mode of transfer is specified therein.

(5) All coupons attached to debentures issued under this Act shall bear the signature of the Chairman; and such signature may be engraved, lithographed, or impressed by any mechanical process.

94. Payments to survivors of joint payees.—When any debenture or security issued or granted under this Act is payable to two or more persons jointly, and either or any of them dies, then, notwithstanding anything contained in section 45 of the Indian Contract Act, 1872 (Central Act IX of 1872), the debenture or security shall be payable to the survivor or survivors of such persons :

Provided that nothing in this section shall affect any claim by the representative of the deceased person against such survivor or survivors.

95. Receipt by joint holder for interest or dividend.—Where two or more persons are joint holders of any debenture or security issued or granted under this Act, any payment made to the first mentioned person therein of any dividend or interest payable in respect of such debenture or security shall be a full discharge of the liability of the Board in respect of such dividend or interest.

96. Priority of payments for interest and repayment of loans.—All payments due from the Board for interest on, or the repayment of, loans, shall be made in priority to all other payments due from the Board.

97. Repayment of loans taken under section 91.—Every loan taken by the Board shall be repaid by the Board within the period agreed upon by the Board and subject to the provisions of sub-section (2) of section 114 of such of the following methods as may be approved by the Government namely :—

(a) form a sinking fund established under section 98 in respect of the loan; or

(b) by paying in equal yearly or half-yearly instalments of principal or of principal and interest, throughout the said period; or

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(3) Every such estimate shall differentiate capital and revenue funds, and shall be prepared in such form, and shall contain such details, as the Government may, from time to time, prescribe.

(4) Every such estimate shall be completed and printed and a copy thereof sent, by post or otherwise to each member at least ten clear days before the date of the meeting at which the estimate is to be laid before the Board.

(5) A revised budget, if any, including all the expenditure not covered in the original budget estimate, shall be laid before the Board at a special meeting to be held in the month of December in each year.

105. Sanction of the Board to estimates.—The Board shall consider every estimate so laid before it and shall sanction the same, either without modification or with such modification as it may think fit.

106. Approval of Government to estimate.—(1) Every such estimate, as sanctioned by the Board, shall be submitted to the Government who may, at any time within three months after receipt of the same—

(a) approve the estimate, or

(b) disallow the estimate or any portion thereof, and return the estimate to the Board for amendment.

(2) If any estimate is so returned to the Board, it shall forthwith proceed to amend it and shall resubmit the estimate as amended to the Government who may then approve it.

107. Supplementary estimate.—(1) The Board may, at any time, during the year for which any estimate has been sanctioned, cause a supplementary estimate to be prepared and laid before it at a special meeting.

(2) The provisions of sub-sections (3) and (4) of section 104 and of sections 105 and 106 shall apply to every supplementary estimate.

108. Adherence to estimate and maintenance of closing balance.—(1) No sum shall be expended by or on behalf of the Board unless the expenditure of the same is covered by a current budget grant or can be met by a reappropriation or by drawing on the closing balance.

(2) The closing balance shall not be reduced below such limit as may be fixed in this behalf by the Government, from time to time.

(3) The following items shall be exempted from the provisions of sub-sections (1) and (2), namely :—

(a) refund of moneys belonging to contractors or other persons held in deposit, and of moneys collected by, or credited to, the Board by mistake;

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(b) payments due under a decree or order of a court or under an award of the Tribunal;

(c) sums payable under a compromise of any suit or other legal proceeding or claim effected under this Act;

(d) sums payable under this Act by way of compensation; and

(e) payments required to meet any pressing emergency.

(4) Whenever any sum exceeding ten thousand rupees is expended under clause (e) of sub-section (3), the Chairman shall forthwith report the circumstances to the Board explaining how it is proposed to cover the expenditure.

109. Definition of "Cost of management".—(1) The expression "cost of management" as used in the following sections in this Chapter means—

(a) the salary and house-rent and conveyance allowance, if any, of the Chairman, Secretary, the Housing Board Engineer, and any other allowances and any contributions payable to or in respect of them;

(b) the salaries, fees and allowances and contributions paid in respect of officers and servants of the Board referred to in sections 8, 9, 16, 18 and 21;

(c) the remunerations of other employees of the Board except employees who are paid by the day or whose pay is charged to temporary work;

(d) all payments made under section 81 on account of the Tribunal; and

(e) all office expenses incurred by the Board or the Tribunal.

(2) The expression "office expenses" in clause (e) of sub-section (1) means expenses incurred for carrying on office work, and includes the rent of office buildings, the provision of furniture therefor, charges for printing and stationery, catering charges incurred in connection with meetings and conferences held by or on behalf of the Board and contributions towards welfare and recreation of the Board's staff.

110. Keeping of capital account and revenue account.—(1) The Board shall keep a capital account and a revenue account.

(2) The capital account shall show separately all expenditure incurred by the Board on each housing or improvement scheme.

111 Credits to capital account.—There shall be credited to the capital account—

(a) all sums (except interest) received by way of betterment fees under this Act;

(b) all moneys received on account of loans taken by the Board in pursuance of this Act;

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(c) all moneys received as grants by the Board for purposes of this Act, from the Central or State Government;

(d) all moneys received by the Board on account of repayment of loans and advances granted under section 91;

(e) the proceeds of the sale of any land belonging to the Board which was purchased out of any such loans or grants;

(f) where any land was purchased out of an advance from the revenue account, the portion of the proceeds of the sale of such land which remains after crediting to the revenue account the amount of such advance;

(g) the proceeds of the sale of any movable property (including securities for money invested from the capital account) belonging to the Board;

(h) all lump sums received from any Government in aid of the capital account;

(i) all moneys received by the Board in connection with leases for any term exceeding forty years;

(j) all sums, if any, which the Government direct, under sub-section (2) of section 114, to be credited to the capital account; and

(k) all money realised from the sale of securities by direction of the Government under section 115.

112. Application of capital account.—The moneys credited to the capital account shall be held by the Board in trust and shall be applied to—

(a) meeting all costs of framing and executing housing or improvement schemes;

(b) meeting the cost of acquiring lands for carrying out any of the purposes of this Act;

(c) meeting the cost of constructing buildings required for carrying out any of the purposes of this Act;

(d) the repayment of loans from money borrowed in pursuance of this Act;

(e) granting of loans and advances under section 91;

(f) making payments in pursuance of section 148 otherwise than for interests or for expenses of maintenance of working;

(g) making or contributing towards the cost of surveys in pursuance of section 146;

(h) meeting such proportion of the cost of management as may be prescribed by the Board; and

(i) temporarily making good the deficit, if any, in the revenue account at the end of any year.

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113. Credits to revenue account.—There shall be credited to the revenue account—

(a) all interest received in pursuance of section 76 or section 77;

(b) all annually recurring sums received from the Central or State Government in aid of the funds of the Board;

(c) all compensations received by the Board under section 131;

(d) all moneys received by the Board in connection with leases for any term not exceeding forty years;

(e) all rents of land vested in the Board;

(f) all rents of buildings vested in the Board;

(g) the supervision and centage charges obtained by the Board under section 67;

(h) all interest on loans and advances granted by the Board under section 91; and

(i) all other receipts by the Board which are not required by section 111 to be credited to the capital account.

114. Application of revenue account.—(1) The moneys credited to the revenue account shall be held by the Board in trust, and shall be applied to—

(a) payment of all charges or payments towards interest or sinking fund due on account of any loan taken in pursuance of this Act, and all other charges incurred in connection with such loans;

(b) payment of all sums due from the Board in respect of rates and taxes imposed by the local authority concerned, upon the land vested in the Board;

(c) payment of cost, if any, of maintaining a separate establishment for the collection of rents and other proceeds of land vested in the Board;

(d) payment of all sums towards the cost of establishment of the Tribunal under section 81;

(e) payment of all sums which the Government may direct to be paid to any auditor under section 121;

(f) payment of the cost of the management excluding such proportion thereof as may be debited to the capital account under clause (h) of section 112; and

(g) payment of all other sums due from the Board, other than those which are required by section 112 to be disbursed from the capital account.

(2) The surplus, if any, remaining after making the payments referred to in sub-section (1) shall, subject to the maintenance of a closing balance as required by sub-section (2) of

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section 108, be invested in the manner laid down in section 100 towards the service of any loans outstanding after the expiry of sixty years from the commencement of this Act, unless the Government otherwise direct.

115. Power to direct sale of securities in which any surplus of the revenue accounts is invested.—If at any time after any surplus referred to in sub-section (2) of section 114 has been invested, the Board is satisfied that the investment is not needed for the service of any loan referred to in that sub-section, the Board may, with the approval of the Government, sell the securities held under the investment.

116. Advances from revenue account to capital account.—(1) Notwithstanding anything contained in section 114, the Board may advance any sum standing at the credit of the revenue account for the purpose of meeting capital expenditure.

(2) Every such advance shall be refunded to the revenue account as soon as may be practicable.

117. Advance from capital account to revenue account.—(1) Any deficit in the revenue account at the end of any year may be made good by an advance from the capital account after obtaining the approval of the Government.

(2) Every such advance shall be refunded to the capital account in the following year.

118. Submission of abstracts of accounts to Government.—At the end of every year, the Board shall submit to the Government an abstract of the accounts of its receipts and expenditure for such year.

119. Annual audit of accounts.—The accounts of the Board shall be examined and admitted once in every year by such auditor as the Government may appoint in this behalf.

120. Powers of auditor.—The said auditor may—

(a) by summons in writing require production of any document, the perusal or examination of which he believes necessary for the elucidation of the accounts;

(b) by summons in writing require any person who has the custody or control of any such document or who is accountable therefor to appear in person before him; and

(c) require any person so appearing to make and sign a declaration with respect to such document or to answer any question or to prepare and furnish any statement relating thereto.

121. Remuneration of auditor.—The Board shall pay to the said auditor such remuneration as the Government may direct.

122. Reports and information to be furnished by auditor to the Board.—(1) The said auditor shall—

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(a) report to the Board and to the Government any material impropriety or irregularity which he may observe in the expenditure, or in the recovery of moneys due to the Board, or in the accounts;

(b) furnish to the Board such information as it may, from time to time, require concerning the progress of his audit;

(c) report to the Chairman any loss or waste or money or other property owned by or vested in the Board caused by neglect or misconduct, with the names of persons directly or indirectly responsible for such loss or waste; and

(d) submit to the Chairman a final statement of audited accounts, together with a report on the result of the audit, and duplicate copies thereof to the Government, within a period of three months from the end of the year or within such other period as the Government may allow in that behalf.

(2) (a) The said auditor may disallow every item contrary to law and surcharge the same on the person making or authorizing the making of the illegal payment; and may charge against any responsible therefor the amount of any deficiency or loss incurred by the negligence or misconduct of that person or of any sum which ought to have been but is not, brought into account by that person and shall, in every such case, certify, the amount due from such person.

Explanation.—It shall not be open to any person whose negligence or misconduct has caused or contributed to any such deficiency or loss to contend that notwithstanding his negligence or misconduct the deficiency or loss would not have occurred but for the negligence or misconduct of some other person.

(b) The said auditor shall state in writing the reasons for his decision in respect of every disallowance, surcharge or charge and furnish a copy thereof by registered post to the person against whom it is made.

(c) If the person to whom a copy of the decision is so furnished refuses to receive it, he shall nevertheless be deemed to have been duly furnished with a copy, within the meaning of clause (b); and the period of fourteen days fixed in sub-sections (3) and (4) shall be calculated from the date of such refusal.

(3) Any person aggrieved by a disallowance, surcharge or charge made under sub-section (2) may, within fourteen days after he has been furnished with a copy of the decision of the auditor either (a) apply, in the Presidency town, to the Madras City Civil Court and elsewhere, to the Court of the Subordinate Judge to set aside such disallowance, surcharge or charge, in which case the Court may, after taking such evidence as it thinks necessary, confirm, modify, or remit such disallowance, surcharge or charge, with such orders as to costs as it may think proper in the circumstances; or (b) in lieu of such application, appeal to the Government who shall pass such orders as they think fit.

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(4) Every sum certified to be due from any person by the auditor under this Act shall be paid by such person to the Board within fourteen days after he has been furnished with a copy of the decision of the auditor unless within that time such person has applied to the Court or appealed to the Government against the decision under sub-section (3); and such sum if not paid, or such sum as the Court or the Government shall declare to be due, shall be recoverable on an application made by the Board to the Court in the same way as an amount decreed by it.

(5) Notwithstanding anything contained in this sections the Government may at any time direct that the recovery of the whole or any part of the amount certified to be due from any person by the auditor under this Act shall be waived if in their opinion, such a course is necessary, considering all the circumstances of the case.

123. Auditor's report to be sent to each member and considered by Board.—The Chairman shall cause the report mentioned in clause (d) of sub-section (1) of section 122 to be printed and shall forward a printed copy thereof to each member and shall bring such report before the Board for consideration at its next meeting.

124. Board to remedy defects pointed out by auditor and to submit a report to Government.—It shall be the duty of the Board to remedy forthwith any defects or irregularities that may be pointed out by the auditor and to submit a report thereon to the Government.

125. Accounts and audit report to be forwarded to Government and their placing before the State Legislature.—(1) The accounts of the Board as certified by the auditor together with the audit report thereon shall be forwarded annually to the Government and the Government may issue such instructions to the Board in respect thereof as they deem fit and the Board shall comply with such instructions.

(2) The Government shall—

(a) cause the accounts of the Board together with the audit report thereon forwarded to them under sub-section (1) to be laid annually before the State Legislature; and

(b) cause the accounts of the Board to be published in the prescribed manner and make available copies thereof on sale at a reasonable price.

CHAPTER XIII.

PENALTIES AND PROCEDURE.

123. Penalty removing fence, etc., in street.—If any person, without lawful authority infringes any order given, or removes any bar, chain or post fixed under sub-section (2) of section 82, he shall be punishable with fine which may extend to fifty rupees.

127. Penalty for building within street alignment or building line without permission.—If any person, without the permission of the Board, erects, re-erects, adds to or alters any wall

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or building so as to make the same project into the street alignment or beyond the building line prescribed by any deferred street scheme, development scheme or town expansion scheme, he shall be punishable—

(a) with fine which may extend, in the case of a wall or masonry building, to five hundred rupees and in any other case, to fifty rupees; and

(b) with further fine which may extend, in the case of a wall or masonry building, to one hundred rupees and in any other case, to ten rupees for each day after the first during which the projection continues.

128. *Penalty for failure to comply with requisition made by auditor.*—If any person fails to comply with any requisition made by the auditor under section 120, he shall be punishable—

(a) with fine which may extend to one hundred rupees; and

(b) in case of a continuing failure, with fine which may extend to fifty rupees for each day after the first during which the failure continues.

129. *Penalty for obstructing contractor or removing mark.*—If any person—

(a) obstructs or molests any person with whom the Chairman has entered into a contract on behalf of the Board, in the performance or execution by such person of his duty or of anything which he is empowered or required to do by virtue or in consequence of this Act or any rule or regulation made thereunder; or

(b) removes any mark set up for the purpose of indicating any level or direction necessary to the execution of works authorized by this Act or any rule or regulation made or scheme sanctioned thereunder, he shall be punishable with fine which may extend to two hundred rupees.

130. *Penalty for breach of the provisions of the Act, etc.*—Whoever contravenes any of the provisions of this Act or of any rule or regulation made or scheme sanctioned thereunder shall, if no other penalty is provided for such contravention, be punishable—

(a) with fine which may extend to one hundred rupees; and

(b) in case of a continuing contravention, with fine which may extend to fifty rupees for each day after the first during which the contravention continues.

131. *Compensation to be paid by offenders for damage caused by them*—(1) When any person is convicted of any offence under this Act or any rule or regulation made thereunder, the Magistrate convicting such person may, on application made in this behalf by the Board or by its officer or servant authorized by it in this

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behalf, call upon such person forthwith to show cause as to why he should not pay compensation to the Board for the damage caused by his act or omission in respect of which he is convicted.

(2) The Magistrate shall record and consider any cause which such person may show and if the Magistrate, after making such inquiry as he may think fit, is satisfied that such person is liable to pay compensation, may direct that compensation to such amount not exceeding one thousand rupees as he may determine, be paid by such person to the Board.

(3) The amount of compensation directed to be paid under sub-section (2), shall, if it be not paid forthwith, be recovered as if it were a fine imposed by the magistrate on such person.

132. *Punishment for acquiring share or interest in contract, etc., with the Board.*—If any member, or any officer or servant of the Board acquires, directly or indirectly, by himself or by any partner, employer or employee, otherwise than as such member, officer or servant, any share or interest in any contract or employment with, by or on behalf of, the Board (not being a share or interest which, under section 7, it is permissible for a member to have without being thereby disqualified for being appointed a member) he shall be deemed to have committed the offence made punishable by section 168 of the Indian Penal Code (Central Act XLV of 1860).

133. *Procedure.*—(1) No court shall take cognizance of any offence punishable under this Act or any rule or regulation made thereunder unless complaint of such offence is made within six months next after the commission thereof.

(2) No court inferior to that of a Presidency Magistrate or a Magistrate of the First-class shall try any offence punishable under this Act.

134. *Duty of Police officers.*—It shall be the duty of every Police officer—

(a) to co-operative with the Chairman for carrying into effect and enforcing the provisions of this Act or any rule made thereunder;

(b) to communicate without delay to the proper officer or servants of the Board any information which he receives of a design to commit or of the commission of any offence against this Act or any rule made thereunder; and

(c) to assist the Chairman or any officer or servant of the Board reasonably demanding his aid for the lawful exercise of any power vesting in the Chairman or in such officer or servant under this Act or any rule made thereunder.

135. *Arrest of offenders.*—(1) Any police officer not below the rank of a head constable, may arrest any person who commits, in his presence, any offence against this Act or any rule or

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regulation made thereunder, if the name or address of such person be unknown to him, and if such person on demand declines to give his name or address, or gives a name or address which such officer has reason to believe to be false.

(2) No person so arrested shall be detained in custody after his true name and address are ascertained or for any longer time than is necessary for bringing him before a Magistrate. In no case shall such detention exceed twenty-four hours from the time of arrest without the orders of a Magistrate.

136. *Powers of Chairman as to institution, composition, etc., of legal proceedings and obtaining legal advice.*—The Chairman may, subject to the control of the Board—

(a) institute, defend or withdraw from legal proceedings under this Act or any rules or regulations made thereunder;

(b) compound any offence against this Act or any rules or regulations made thereunder which, under any law for the time being in force or the rules prescribed by the Government, may lawfully be compounded;

(c) admit, compromise or withdraw any claim made under this Act or any rules or regulations made thereunder; and

(d) obtain such legal advice and assistance as he may, from time to time, think it necessary or expedient to obtain, or as may be desired by the Board to obtain, for any of the purposes, referred to in the foregoing clauses of this section, or for securing the lawful exercise or discharge of any power or duty vested in or imposed upon the Board or any officer or servant of the Board.

137. *Protection of action taken in good faith.*—No suit, prosecution or other legal proceeding shall lie against the Government, the Board or any Committee thereof or any officer or servant of the Government or the Board for anything which is in good faith done or intended to be done in pursuance of this Act or any rule or regulation made thereunder.

138. *Notice of suit against Board, etc.*—No suit shall be instituted against the Board, or any member, or any officer or servant of the Board, or any person acting under the direction of the Board, or of the Chairman or of any officer or servant of the Board, in respect of any act done or intended to be done under this Act or any rule or regulation made thereunder until the expiration of one month next after written notice has been delivered or left at the Board's office or the place of abode of such officer, servant or person, stating the cause of action, the name and place of abode of the intending plaintiff, and the relief which he claims, and the plaint must contain a statement that such notice has been so delivered or left.

139. *Proof of consent etc, of Board or Chairman or officer or servant of the Board.*—Whenever, under this Act or any rule or regulation made thereunder, the doing or the omission to do

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anything or the validity of anything depends upon the approval, sanction, consent, concurrence, declaration, opinion, or satisfaction of—

(a) the Board or the Chairman; or

(b) any officer or servant of the Board, a written document, signed in case (a) by the Chairman, and in case (b) by the said officer or servant, conveying or setting forth such approval, sanction, consent, concurrence, declaration, opinion or satisfaction, shall be sufficient evidence of such approval, sanction, consent, concurrence declaration, opinion or satisfaction.

140. Power of Chairman to direct removal of unauthorized erections, etc., within street alignment, etc.—(1) The Chairman may, by a written notice, require the owner for the time being of the wall or building referred to in section 127 to stop further work on such wall or building and to alter or demolish the same in such manner and within such time as may be specified in the notice.

(2) Where the alteration or demolition directed by any such notice is not carried out as directed therein, the Chairman may cause the wall or building or portion thereof to be altered or demolished, as the case may be, and he may recover the expenses incurred in so doing from the owner for the time being in such manner as may be prescribed.

141. General power of the Board to pay compensation.—In any case not otherwise expressly provided for this Act, the Board pay reasonable compensation to any person who sustains damage by reason of the excise of any of the powers vested by or under this Act in the Board or the Chairman or any officer or servant of the Board.

142. Public notices how to be made known.—Every public notice given under this Act or any rule or regulation made thereunder shall be in writing over the signature of the Chairman, and shall be widely made known in the locality to be affected thereby, by affixing copies thereof in conspicuous public places within the said locality, or by publishing the same by bear of drum or by advertisement in leading daily newspapers, or by any two or more of these means, and by any other means that the Chairman may think fit. Every such notice shall also be published by affixture in the notice board of the Board's office or sub-office.

143. Newspapers in which advertisements or notices are to be published.—Whenever it is provided by this Act or any rule or regulation made thereunder that notice shall be given by advertisement in leading daily newspapers, or that a notification or any information shall be published in leading daily newspapers, such notice, notification or information shall be inserted, if practicable in at least one English daily newspaper and two daily newspapers published in Tamil.

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144. Standing signature on notices or bills.—Every notice or bill, which is required by this Act or by any rule or regulation made thereunder to bear the signature of the Chairman or any other member or of any officer or servant of the Board, shall be deemed to be properly signed if it bears a facsimile of the signature of the Chairman or of such other member or of such officer or servant, as the case may be, stamped thereupon.

145. Service how to be effected.—When any notice, bill or other document is required by this Act or any rule or regulation made thereunder to be served upon or issued or presented to any person, such service, issue or presentation shall be effected—

(a) by giving or entering such document to such person; or

(b) if such person is not found, by leaving such document at his last known place of abode, or by giving or tendering the same to some adult member or servant of his family; or

(c) if his address elsewhere is known, by forwarding such document to him by registered post under cover bearing the said address; or

(d) if none of the means aforesaid be available, by causing a copy of such document to be affixed on some conspicuous part of the building or land, if any, to which the document relates.

146. Power to make surveys, or contribute towards their costs.—The Board may—

(a) cause of survey of any land to be made, whenever it considers that a survey is necessary or expedient for carrying out any of the purpose of this Act, or

(b) contribute towards the cost of any such survey made by any other local authority.

147. Power of entry.—(1) The Chairman or any person either generally or specially authorized by the Chairman in this behalf may, with or without assistants or workmen, enter into or upon any land, in order—

(a) to make any inspection, survey, measurement, valuation or inquiry;

(b) to take levels;

(c) to dig or bore into the sub-soil;

(d) to set out boundaries and intended lines of work;

(e) to mark such levels, boundaries and lines by placing marks, and cutting trenches; or

(f) to do any other thing, whenever it is necessary to do so for any of the purposes of this Act or any rule or regulation made or scheme sanctioned thereunder or any scheme which the Board intends to frame thereunder:

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Provided as follows :—

(a) no such entry shall be made between sunset and sunrise;

(b) no dwelling house, and no public building or but which is used as a dwelling place, shall be entered, except with the consent of the occupier thereof, without giving the said occupier at least twenty-four hours previous written notice of the intention to make such entry;

(c) sufficient notice shall, in every instance, be given, even when any premises may otherwise be entered without notice, to enable the inmates of any apartment appropriated to women to remove themselves to some part of the premises where their privacy will not be disturbed;

(d) due regard shall always be had, so far as may be compatible with the exigencies of the purpose for which the entry is made, to the social and religious usages of the occupants of the premises entered.

(2) Whenever the Chairman or a person authorized under sub-section (1) enters into or upon any land in pursuance of that sub-section, he shall, at the time of such entry, pay or tender payment for all necessary damage to be done as aforesaid; and, in case of dispute as to the sufficiency of the amount so paid or tendered, he shall at once refer the dispute to the Board, whose decision shall be final.

CHAPTER XIV.

MISCELLANEOUS.

148. Powers of the Board for facilitating movement of the population.—With a view to facilitating the movement of the population in and around any city, town or village, the Board may from time to time—

(1) subject to any condition it may think fit to impose—

(a) guarantee the payment, from the funds at its disposal of such sums as it may think fit, by way of interest on capital expenditure on the construction, maintenance or working of means of locomotion; or

(b) make such payments as it may think fit from the said funds, by way of subsidy to persons undertaking to provide, maintain and work means of locomotion; or

(2) either singly or in combination with any other person, construct, maintain and work any means of locomotion, under the provisions of any law applicable thereto; or

(3) construct or widen, strengthen or otherwise improve bridges :

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Provided that no guarantee or subsidy shall be made under clause (1), and no means of locomotion shall be constructed, maintained or worked under clause (2), without the sanction of the Government.

149. *Members, officers and servants of the Board, committees and Tribunal deemed to be public servants.*—All members, officers and servants of the Board, the members of committees, the Tribunal and all other persons entrusted with the execution of any functions under this Act, shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act, to be public servants within the meaning of section 21 of the Indian Penal Code (Central Act XLV of 1860).

150. *Contributions by Board towards leave allowances and pensions of servants of the Central or State Government, employed under this Act.*—The Board shall be liable to pay such contributions for the leave salary, pension . . . or provident fund of any officer or servant of the Central or State Government employed as Chairman or as an officer or servant of the Board, or as the Tribunal or as an officer or servant of the Tribunal, as the case may be, as may be required by the conditions of his service under the Central or State Government to be paid by him or on his behalf.

151. *Board and Chairman to exercise powers and functions under Madras Act VII of 1920.*—In any area in respect of which a housing or improvement scheme is in force, the Government may, by notification, declare that, from such date as may be specified therein, the powers and functions exercisable by a local authority or its executive authority under the Madras Town-Planning Act, 1920 (Madras Act VII of 1920), shall not be exercised by it and that subject to such restrictions and modifications, if any, as may be specified in the notification, such powers and functions shall be exercised by the Board or the Chairman, as the case may be.

152. *Board and Chairman to exercise powers and functions of a local authority and executive authority.*—In any area in respect of which a housing or improvement scheme is in force, the Government may, by notification, declare that for the period during which such scheme remains in force and subject to such restrictions and modifications, if any, as may be specified in the notification, the powers and functions exercisable by a local authority or its executive authority under the enactment constituting such local authority shall be exercised by the Board or the Chairman, as the case may be.

153. *Supply of documents and information to the Government.*—The Chairman shall, if so directed by the Government, forward to them a copy of all the papers which were laid before the Board for consideration at any meeting and furnish any

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return, statement, estimate, statistics, or other information regarding any matter under the control of the Board, a report of any such matter and a copy of any documents in charge of the Chairman.

154. Submission of administration report to Government.—

(1) As soon as may be after the first day of April in every year and not later than such date as may be fixed by the Government, the Board shall submit to the Government a detailed report of the administration during the preceding year in such form as the Government may direct.

(2) The Chairman shall prepare such report and the Board shall consider the report and forward the same to the Government with its resolutions thereon, if any

155. Power of Government to give directions to the Board.—

The Government may give the Board such directions as in their opinion are necessary or expedient for carrying out the purposes of this Act, after giving an opportunity to the Board to state its objections, if any, to such directions and after considering the said objections; and it shall thereupon be the duty of the Board to comply with such directions.

156. Supersession of the Board.—(1) If the Government are of opinion that the Board is unable to perform, or has persistently made default in the performance of, the duty imposed on it by or under this Act or has exceeded or abused its powers, they may, by notification, supersede the Board for such period as may be specified in the notification :

Provided that before issuing a notification under this subsection, the Government shall give a reasonable time to the Board to show cause why it should not be superseded and shall consider the explanations and objections, if any, of the Board.

(2) Upon the publication of a notification under sub-section (1) superseding the Board,—

(a) the Chairman and all the members of the Board shall, as from the date of supersession, vacate their offices as such;

(b) all the powers and duties which may, by or under the provisions of this Act, be exercised or performed by or on behalf of the Board and the Chairman, shall, during the period of supersession, be exercised and performed by such authority or person as the Government may direct;

(c) all funds and other property vested in the Board shall, during the period of supersession vest in the authority or person referred to in clause (b); and

(d) all liabilities, legally subsisting and enforceable against the Board shall be enforceable against the authority or person referred to in clause (b) to the extent the funds and properties vested in it or him.

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(3) On the expiration of the period of supersession specified in the notification issued under sub-section (1), the Government may,—

(a) extend the period of supersession for such further period as they may consider necessary; or

(b) reconstitute the Board in the manner provided in section 4.

157. Dissolution of the Board.—(1) If the Government are of opinion that the Board has failed to carry out its functions under this Act or that for any other reason it is not necessary to continue the Board, they may, by notification, dissolve the Board from such date as may be specified in the notification.

(2) Upon the publication of a notification under sub-section (1) dissolving the Board—

(a) the Chairman and all the members of the Board shall, as from the date of dissolution, vacate their offices as such;

(b) all the powers and duties which may, by or under the provisions of this Act, be exercised and performed by or on behalf of the Board and the Chairman shall, as from the date of dissolution, be exercised and performed by the Government or such authority or person as they may appoint in this behalf;

(c) all funds and other property vested in the Board shall vest in the Government; and

(d) all liabilities, legally subsisting and enforceable against the Board shall be enforceable against the Government to the extent of the funds and properties vested in them.

(3) Nothing in this section shall affect the liability of the Government in respect of debentures guaranteed under section 92.

158. The Board to be a local authority under Central Act I of 1894 and Central Act IX of 1914.—The Board shall be deemed to be a local authority for the purposes of the Land Acquisition Act, 1894 (Central Act I of 1894) and the Local Authorities Loans Act, 1914 (Central Act IX of 1914).

159. Power to remove difficulties.—(1) If any difficulty arises in giving effect to the provisions of this Act, the Government may, as occasion may require, by order, do anything which appears to them necessary or proper for the purpose of removing the difficulty.

(2) Every order issued under sub-section (1) shall, as soon as possible after it is issued, be placed on the table of both Houses of the Legislature, and, if, before the expiry of the session in which it is so placed or the next session, both Houses agree in making any modification in any such order or both Houses agree that the order should not be issued, the order shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that order.

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CHAPTER VX.

RULES AND REGULATIONS.

160. Power to make rules.—(1) The Government may, ... make rules for the purpose of carrying into effect the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for

(a) all matters expressly required or allowed by this Act to be prescribed;

(b) the accounts to be maintained by the Board;

(c) the allowances of non-official members of the Board or of any Committee;

(d) the returns, statements, reports and accounts to be submitted to the Government by the Board;

(e) the mutual relationship of the Board and other local authorities in any matter in which they are jointly interested;

(f) the fees payable for copies of, or extracts from the assessment books of the local authorities concerned furnished to the Chairman;

(g) the guidance of the Board and public officers in carrying out the purposes of this Act.

(3) All rules made under this Act shall be published in the *Fort St. George Gazette* and, unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.

(4) Every rule made under this Act shall, as soon as possible after it is made, be placed on the table of both Houses of the Legislature, and if, before the expiry of the session in which it is so placed or the next session, both Houses agree in making any modification in any such rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

161. Power to make regulations.—(1) The Board may, by notification, make regulations not inconsistent with this Act and the rules made thereunder, ... for the purpose of giving effect to the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for—

(a) all matters expressly required or allowed by this Act to be prescribed by regulations;

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(b) the association of persons with the Board under section 24;

(c) the appointment of persons to be members of committees under section 25;

(d) the delegation of powers or duties of the Board to committees or to the Chairman;

(e) the duties and conduct of officers and servants of the Board and of other persons employed by the Board under this Act for carrying out any of the purposes of this Act;

(f) the welfare and recreation of the staff of the Board and the contributions to be made therefor;

(g) the fees payable for the copies of documents, estimates and plans furnished by any of its officers and servants under this Act;

(h) the management, use and regulation of dwellings constructed under any housing or improvement scheme;

(i) the efficient conduct of the affairs of the Board.

(3) No regulation or its cancellation or modification shall have effect until the same shall have been approved and confirmed by the Government.

CHAPTER XVI.

REPEAL AND SAVING.

162. *Repeal and saving.*—(1) The Madras City Improvement Trust Act, 1950 (Madras Act XXXVII of 1950) (hereinafter referred to as the said Act) is hereby repealed.

(2) Notwithstanding such repeal—

(a) anything done or any action taken including any appointment or delegation made, notification, order, instruction or direction issued, rule, regulation or scheme framed, certificate, permit or licence granted or registration effected, under the said Act, shall be deemed to have been done or taken under the corresponding provision of this Act and shall continue in force accordingly, unless and until superseded by anything done or any action taken under this Act; and

(b) the betterment fee in respect of any land which the City Improvement Trust was, immediately before the commencement of this Act, entitled to levy, assess and recover under the said Act, may be levied, assessed and recovered by the Board under the said Act as if this Act had not been passed.

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85. *Power to recover rent or damage as arrears of land revenue.*—(1) Subject to any rules made by the Government in this behalf and without prejudice to the provisions of section 84, where any person is in arrears of rent payable in respect of any Board premises, the competent authority may by notice served (i) by registered post or (ii) by affixing a copy of it on the outer door or some other conspicuous part of such premises, or (iii) in such other manner as may be prescribed, order that person to pay the same within such time not being less than ten days as may be specified in the notice. If such person refuses or fails to pay the arrears of rent within the time specified in the notice, such arrears may be recovered as arrears of land revenue.

(2) Where any person is in unauthorized occupation of any Board premises, the competent authority may, in the prescribed manner, assess such damages on account of the use and occupation of the premises as it may deem fit, and may by notice served in the manner provided for service of notice under sub-section (1), order that person to pay the damages within such time as may be specified in the notice. If any person refuses or fails to pay the damages within the time specified in the notice, the damages may be recovered from him as arrears of land revenue.

(3) No order shall be made under sub-section (2) until after the issue of a notice in writing to the person calling on him to show cause, within a reasonable period to be specified in such notice, why such order should not be made, and until his objections, if any, and any evidence he may produce in support of the same have been considered by the competent authority.

86. *Appeal.*—(1) Any person aggrieved by an order of the competent authority under section 84 or 85 may, within one month from the date of service of the notice of such order, prefer an appeal to the Government:

Provided that the Government may entertain the appeal after the expiry of the said period of one month, if they are satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(2) On receipt of an appeal under sub-section (1), the Government may, after calling for a report from the competent authority and after making such further inquiry, if any, as may be necessary, pass such orders as they think fit and the order of the Government shall be final.

(3) On such appeal being preferred, the Government may stay the execution of the order of the competent authority for such period and on such conditions as they think fit.

87. *Rent to be recovered from deductions from salary or wages in certain cases.*—(1) Subject to the provisions of section 84, any person who is an employee of the Government or a local authority and who has been allotted any Board premises may execute an agreement in favour of the Board providing that the Government or the local authority, as the case may be, under or

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by whom he is employed shall be competent to deduct from the salary or wages payable to him such amount as may be specified in the agreement and to pay the amount so deducted to the Board in satisfaction of the rent due by him in respect of the Board premises allotted to him.

(2) On the execution of such agreement, the Government or local authority, as the case may be, shall, if so required by the Board by requisition in writing, make the deduction of the amount specified in the requisition from the salary or wages of the employee specified in the requisition in accordance with the agreement and pay the amount so deducted to the Board.

88. Bar of jurisdiction of Courts.—No order made by the Government or the competent authority the exercise of any power conferred by or under this chapter shall be called in question in any court and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Chapter.

CHAPTER XII.

FINANCE.

89. Board's fund.—(1) The Board shall have its own fund.

(2) The Board may accept grants, subventions, donations and gifts from the Central or State Government or a local authority, or any individual or body, whether incorporated or not, for all or any of the purposes of this Act.

(3) All moneys received by or on behalf of the Board by virtue of this Act, all proceeds of land or any other kind of property sold by the Board, all rents and all interest, profits, and other moneys accruing to the Board shall constitute the fund of the Board.

(4) Subject to the provisions of sub-section (5), all moneys and receipts specified in the foregoing provisions and forming part of the fund of the Board shall be deposited into the public accounts of the Government under such detailed head of account as may be prescribed and the said account shall be operated upon by such officers of the Board as may be authorised by the Board and in such manner as may be prescribed :

Provided that the Board may, . . . invest any sums not required for immediate use in such securities or debentures as may be approved by the Government.

(5) Notwithstanding anything contained in sub-section (4), the Board may deposit in the Reserve Bank of India or in any scheduled bank any amount not exceeding such sum as may be prescribed for the operation of an account with such bank and such account shall be operated upon by such officers of the Board as may be authorized by the Board and in such manner as may be prescribed.

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(c) if the Board has, before borrowing money or debentures, reserved by public notice, or power to pay off the loan by periodical instalments and to select by lot the particular debentures to be discharged at particular period then, by paying such instalments at such period; or

(d) from money borrowed for the purpose: or

(e) partly from the sinking fund established under section 98 in respect of the loan, and partly from money borrowed for the purpose.

98. Establishment and maintenance of sinking funds.—

(1) Whenever a loan has to be repaid from a sinking fund, the Board shall establish such a fund and shall pay into it every year until the loan is repaid, sum so calculated that if regularly paid, throughout the period agreed upon by the Board, it would, with accumulations in the way of compound interest, be sufficient, after payment of all expenses, to pay off the loan at the end of that period.

(2) The rate of interest on the basis of which the sum referred to in sub-section (1) shall be calculated shall be such as may be prescribed.

99. Power to discontinue payments into sinking fund.—

Notwithstanding anything contained in section 98, if at any time the sum standing at credit of the sinking fund established for repayment of any loan is of such amount that if allowed to accumulate at the rate of interest prescribed under sub-section (2) of that section, it will be sufficient to repay the loan at the end of the period agreed upon by the Board then the Board may discontinue further annual payment into such fund.

100. Investment of sinking fund.—(1) All moneys paid into any sinking fund shall, as soon as possible, be invested by the Board in—

(a) Government securities; or

(b) securities guaranteed by the Central or State Government; or

(c) debentures issued by any local authority; or

(d) debentures issued by the trustees of the Port of Madras; or

(e) debentures issued by Board.

in the joint names of the Examiner of Local Fund Accounts, Madras, and the Accountant-General, Madras, to be held by them in trust for the repayment of the loan for which the sinking fund was established.

(2) All dividends and other sums received in respect of any such investment shall, as soon as possible after receipt, be paid into the sinking fund and invested in the manner laid down in sub-section (1).

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(3) Any investment made under this section, may, from time to time, subject to the provisions of sub-section (1), be varied or transposed.

101. Application of sinking funds.—The two trustees referred to in sub-section (1) of section 100 in whose names any sinking fund is invested may, from time to time, apply the same, or any part thereof, in or towards the discharge of the loan or any part of the loan for which such sinking fund was established; and until such loan is wholly discharged, shall not apply the same for any other purpose.

102. Annual statement by trustees.—(1) The two trustees referred to in sub-section (1) of section 100 shall, at the end of every year, transmit to the Chairman a statement showing—

(a) the amount which has been invested during the year under section 100;

(b) the date of the last investment made previous to the transmission of the statement;

(c) the aggregate amount of the securities held by them;

(d) the aggregate amount which has, up to the date of the statement, been applied under section 101 in or towards repaying loans; and

(e) the aggregate amount already paid into each sinking fund.

(2) Every such statement shall be laid before the Board and published in the *Fort. St. George Gazette*.

103. Annual examination of sinking funds.—(1) The Accountant-General, Madras, shall examine the said sinking funds every year and ascertain whether the cash and current value of the securities at credit of such funds are actually equal to the amount which would have accumulated, had investments been regularly made and had the rate of interest as originally estimated been obtained therefrom.

(2) The Board shall forthwith pay into any sinking fund any amount which the Accountant-General may certify to be the deficiency therein after examination as aforesaid, unless the Government specially sanction a gradual readjustment.

104. Estimates of income and expenditure to be laid annually before the Board.—(1) The Chairman shall, at a special meeting to be held in the month of February in each year, lay before the Board an estimate of the income and expenditure of the Board for the next ensuing year.

(2) Every such estimate shall make provision for the due fulfilment of all the liabilities of the Board, and for the efficient administration of this Act.